

# Costco, Crocs, Tractor Supply & Zoom

2023-Q1

COMPANIES COVERED IN THIS REPORT



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We've been working with RIS News for the past six years to create the **Top 100 Retailers** based on market share, which was released in April.

## Our Report Series

Basic economic theory shows that in a highly competitive market, returns will be driven down to essentially no economic profit as rivals imitate any known advantage. To achieve a durable advantage, executives must find ways to defy this very powerful force of competition.

**The W Reports™** provide a proven, unique way to see what contributes to a company's revenue growth today, and predictive power of where company executives can focus efforts to drive future revenue.

Through our W-30 companies and consumer panel, we continually monitor how well each company meets their customer expectations. Our subscribers access this proprietary data to build durable competitive advantages as we monitor their customers using our SaaS.

**To subscribe to our data or to receive The W Report™ for your company, contact us at wRatings.com.**

## Report Coverage

Business Framework	VALUE	PREMIUM	CHALLENGER
Media/ Technology	Google facebook intel Microsoft	Disney Apple	NETFLIX Roku twitter zoom
Food/ Retail	Domino's amazon COSTCO WHOLESALE	STARBUCKS COFFEE lululemon	BEYOND MEAT Chick-fil-ee crocs TRACTOR SUPPLY CO
Industrial/ Transport	ExxonMobil BOEING Ford Southwest	JOHN DEERE ups DELTA	WM WASTE MANAGEMENT TESLA Uber
Home/ Finance	Johnson & Johnson charles SCHWAB	Toll Brothers AMERICAN EXPRESS	Zillow Square

See wRatings.com/w-30-companies for our most current coverage

# Executive Summary

**Four companies all growing in very different markets, yet all using one impressive similarity: They think outside the box. Or more accurately, they all created a new box.**

In this report, we look at the growth strategies and performance of Costco (COST), Crocs (CROX), Tractor Supply (TSCO) and Zoom (ZM). All have grown by double-digits every year through the start and end of the pandemic. They've defied the laws of competition.

To out-smart and out-execute rivals, their executives made a clear choice to not follow anyone else. They built a business framework that resets customer expectations in their favor. They created new rules for others to follow.





This report digs into the expectations of each company's customers, and how well each performs against them. The ideal company for customers is continually being remade, and these four companies are at the forefront of creating those ideals.

### About This Report

Our goal is to measure how well a company is positioned for revenue growth in an objective, data-driven format using customer perception.

- First, we pull each company's strategy for customer growth from their investor presentations and other public materials.
- We then map each strategic area to the relevant/equivalent areas we collect from our customer panels.
- To assess their likelihood for success, we measure the gap between customer expectations and the company's performance.
- Companies meeting expectations better than rivals are much more likely to win customers in the future

For independent proof of our data's ability to predict success, see our top 25 Companies fund performance in the Appendix.

				
<b>*No. of Growth Strategies</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Mapped to No. of Customer Expectations</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>14</b>
<b>Assessment as of 2023-Q1</b>	<b>6</b> ↑ Meeting Expectations	<b>2</b> ↑ Meeting Expectations	<b>6</b> ↑ Meeting Expectations	<b>9</b> ↑ Meeting Expectations
	<b>8</b> ↔ Somewhat Meeting	<b>8</b> ↔ Somewhat Meeting	<b>6</b> ↔ Somewhat Meeting	<b>5</b> ↔ Somewhat Meeting
	<b>0</b> ↓ Not Meeting	<b>3</b> ↓ Not Meeting	<b>2</b> ↓ Not Meeting	<b>0</b> ↓ Not Meeting
<b>Net Promoter Score®</b>	<b>48.7</b>	<b>13.0</b>	<b>41.0</b>	<b>47.0</b>
<b>Pricing Power</b>	<b>3.7%</b>	<b>5.0%</b>	<b>2.9%</b>	<b>4.5%</b>

\* Most companies typically state 3 to 8 growth strategies, which we map to needs from our customer interviews.

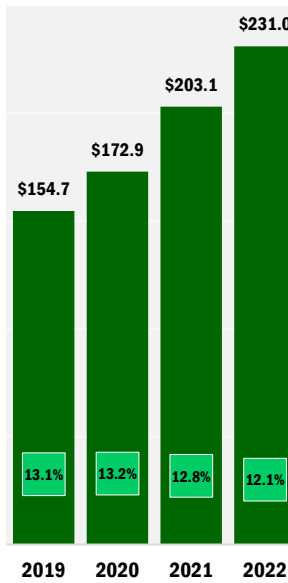
Our benchmark database contains customer perception on 12 functional needs and 5 emotional needs, with typical averages of n=200 responses per company on a TTM basis. Customer data collected during March 2023. Threshold gaps for meeting, somewhat meeting and not meeting customers expectations come from our historical database collected since 1999.

# Choices: Rule-Taker or Rule-Maker

All four of these companies generate billions of dollars in revenue and, despite their size, grew every year through the pandemic. In the last year though, growth has slipped some.

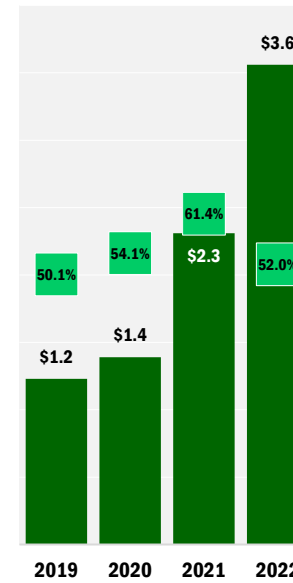
How will each continue their double-digit growth? Rule-Takers try to replicate others. **Rule-Makers double down on their own strategies and build new competitive barriers to protect others from taking away their customers.**

- **Costco** uses a low-frills warehouse with a select assortment of quality brand merchandise to maintain a loyal, paid membership community. Their “triggers and treasures” approach keeps members coming back to buy both their “staples and luxury” items.
- **Crocs** is a one-of-a-kind brand that built a zealous culture around its classic clog shoes. How’d they do that? By leveraging word-of-mouth marketing and collaborating with celebrities and other well-known brands.
- **Tractor Supply** is a specialty retailer focusing on a unique demographic: farms. Similar to Costco, TSC stores are destination spots for do-it-yourself customers where they can select from a large mix of products, including those at the higher end not typically seen at rival stores.
- **Zoom** provides an interesting juxtaposition for retailers to use when trying to create new rules for others to follow. The company relies heavily on a digital/e-commerce model to create viral adoption of its products. New rules require looking at customer expectations in new ways, and Zoom delivers value in a much different way than most retailers.



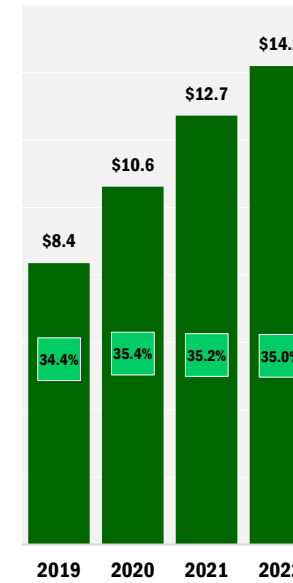
■ Revenue \$B ■ Gross Margin

	Revenue Growth
2020	11.8%
2021	17.4%
2022	13.8%



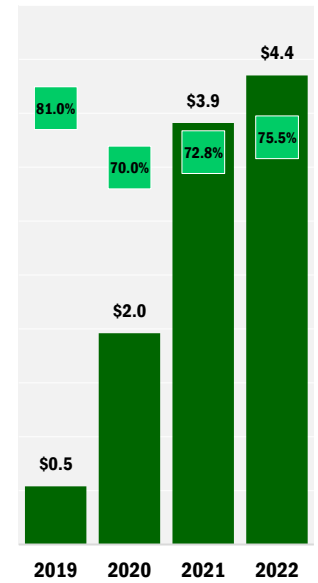
■ Revenue \$B ■ Gross Margin

	Revenue Growth
2020	13.0%
2021	66.2%
2022	54.1%



■ Revenue \$B ■ Gross Margin

	Revenue Growth
2020	27.2%
2021	19.9%
2022	11.5%



■ Revenue \$B ■ Gross Margin

	Revenue Growth
2020	263.0%
2021	99.5%
2022	11.3%

Sources: The companies  
All data is TTM reported as end of December

# Costco Growth Strategy

The Costco business framework helps differentiate the warehouse club from other large retailers by using a multi-stakeholder approach:

- **Suppliers.** The company focuses its buying power into a substantially smaller number of suppliers than the likes of Amazon, Target and Walmart. This amplifies its leverage to extract best prices from suppliers with quality, brand-name merchandise.
- **Employees.** Costco maintains a “Take Care of Our Employees” code of ethics to drive commitment and efficiency. They maintain a ratio of at least 50% of their base as full-time employees.
- **Customers.** Combining quality products with quality employees allows the company to fulfill their obligation to “Take Care of Our Members” promise.

By using these in tandem, the Costco framework is difficult to replicate by rivals. They provide a select assortment of merchandise in a warehouse where large quantities can be stacked high. Buying in bulk reduces their costs, which can then be passed on to its “treasure-hunting” membership community.

With a ~90% renewal rate, Costco is one of the few retailers to lock-out rivals from poaching its membership community.

**To expand beyond just the warehouse shopper model, Costco has ventured into white-glove delivery, e-commerce and its Costco Next program that offers goods directly from its buyers.**

For more info on the potential impact of the Costco Next program, see the Costco Moat Profile later in this report.



costco.com

## What Is Costco?

Costco is a membership warehouse club, dedicated to bringing our members the **best possible prices on quality brand-name merchandise**. With more than **800 locations worldwide**, Costco provides a **wide selection** of merchandise, plus the **convenience** of specialty departments and **exclusive member services**, all designed to make your shopping experience a pleasurable one.

## Key Rules from Costco

- **Best Possible Prices**
- **Quality Brand-Name Merchandise**
- **Locations, Wide Selection**
- **Convenience**
- **Exclusive Member Services**

**COSTCO WHOLESALE** **Costco Logistics**




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**COSTCO WHOLESALE** **Costco Next**

Costco NEXT

Get more of what you want with...

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**COSTCO WHOLESALE** **E-Commerce**

Complement the core warehouse  
Convenience of big & bulky purchases  
Grocery Online



IN STOCK & READY TO SHIP  
Furniture, Appliances and More!

Delivered within 5 days!

Expanded selection year round  
Delivery + installation available  
Same Day Delivery available  
Expand the Costco “Treasure Hunt”

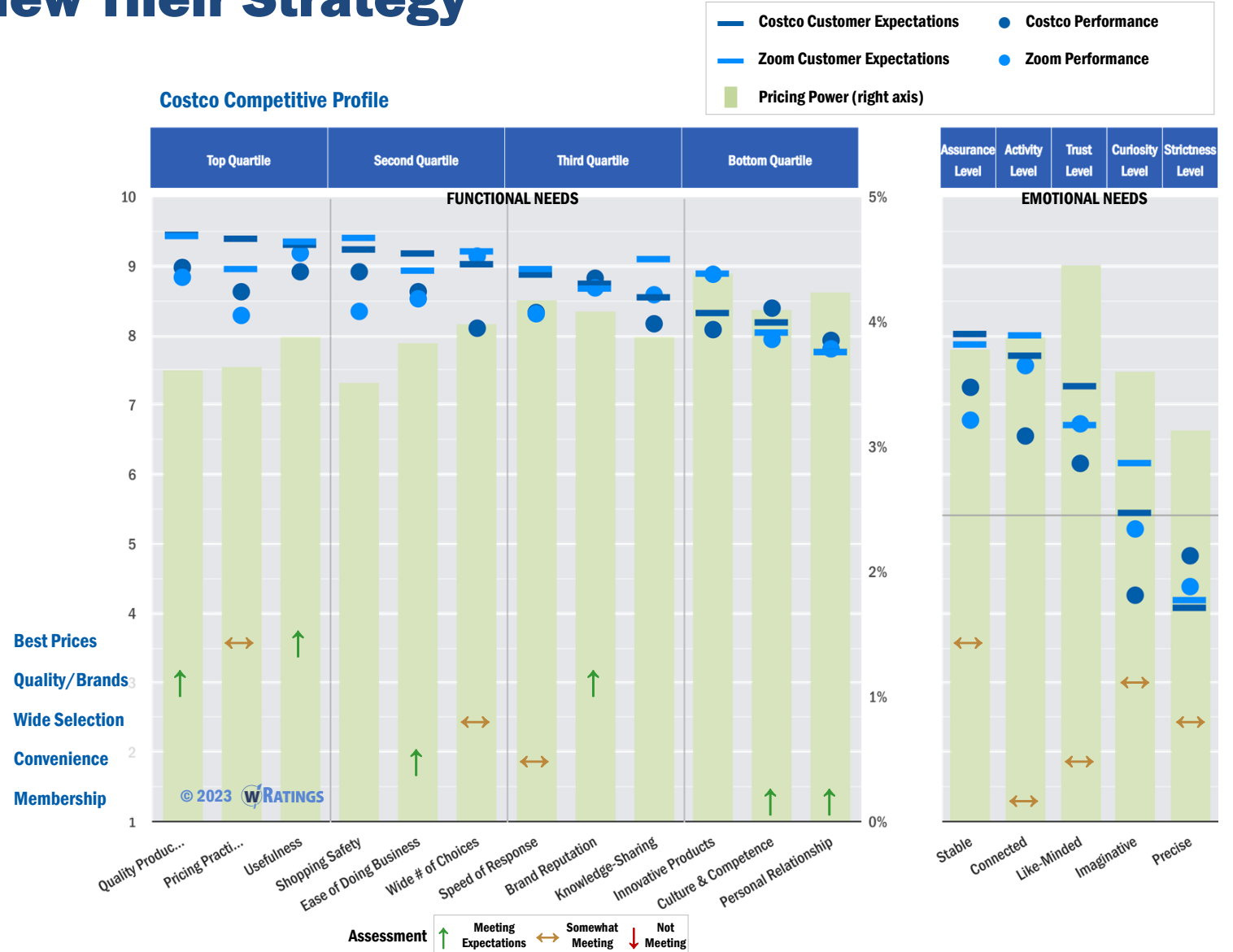
Annual Shareholder Meeting  
January 19, 2023

# How Costco Customers View Their Strategy

To assess Costco's performance on their strategy, we map each key area to customer expectations (lines) and then measure how closely users say Costco meets them (circles). We also show how customers of Zoom (circles) rate Zoom performance.

- **Best Possible Prices** map to customer value in terms of their pricing practices, usefulness and assurance levels. In our data, very few companies meet expectations for pricing. Even Zoom, which offers a free version, still does not meet what their customers expect. Costco doesn't meet assurances though, which is likely attributable to the negative aspect of treasure-hunting where members may miss out on something.
- **Quality/Brands** are areas where Costco shines as its buyers superior selection of merchandise is true to its brand. Members would prefer a bit more imaginative offerings, likely an ongoing challenge with a reduced # of choices on purpose.
- **Wide Selection** is a strategic choice where Costco chooses to compete differently than other large retailers. New efforts such as Costco Next may help to fill this gap.
- **Convenience** of specialty departments makes it easy to do business, along with their delivery and e-commerce services.
- **Membership** is built into its culture and employee competence, and allows Costco to connect and build a fanatical, exclusive customer community.

Although many advantages exist in its business framework today, Costco does not fully meet expectations on any emotions. They remain vulnerable to others who can build superior bonds with customers.





# Crocs Growth Strategy

Crocs is a vertically integrated company that designs, distributes, markets and sells casual lifestyle footwear and accessories. They strive to be the innovative leader in casual footwear that combines style and comfort.

The brand is well-recognized worldwide with consumers due to its unique appeal and ability to personalize. Crocs has tapped into the casual trend nicely via its “Come As You Are” messaging.

Much of their growth goals rely on expanding distribution channels and brand awareness, along with pushing into new countries and product lines such as sandals which includes wedges, flips, and slides.

Their shoes come from a proprietary molded technology to make them soft, comfortable, light-weight, and according to the company, odor-resistant.

**Being vertically integrated provides Crocs with many strategic advantages.** Their CEO says the clogs shoes are easy to make with only three components, and two of them are made on-site. This rapid manufacturing capability proved critical during the pandemic as demand rose for their shoes. Marketing partnerships with celebrities like Luke Combs and c-stores like 7-Eleven make for compelling brand stories and experiences for new product introductions.

**With few direct rivals, Crocs competes primarily against itself.** They must remain relevant to their core customers while continuing to deliver their products in new and exciting ways.

## Key Rules from Crocs

- People-First, One-of-a-Kind
- Simplicity, Comfort
- Imaginative Innovation
- Proprietary Technologies
- Accessible Price Points

**crocs™**  
Investor Presentation  
February 2023

**OUR VISION**  
Everyone Comfortable  
In Their Own Shoes

**OUR VALUES**  
THE PATH WE CHOOSE TO WALK

<p><b>DELIGHTFULLY DEMOCRATIC</b></p> <p>We celebrate one-of-a-kinds and stand together with all different kinds.</p>	<p><b>PEOPLE-PURPOSED DESIGN</b></p> <p>We think people-first at every step. We design for everything you do and everywhere you go.</p>	<p><b>INHERENT SIMPLICITY</b></p> <p>We know smart doesn't have to mean complicated. So we keep things simple, light, and totally intuitive.</p>
<p><b>IMAGINATIVE INNOVATION</b></p> <p>We stretch the possibilities of design and creative thinking so you can reach your highest potential.</p>	<p><b>UNAPOLOGETIC OPTIMISM</b></p> <p>We make a choice every day to have an open mind and look on the bright and colorful side.</p>	<p><b>CONFIDENTLY COMFORTABLE</b></p> <p>We support comfort on every level, because when you're comfortable, you can do anything.</p>

**GROWTH DRIVERS**  
IMPORTANCE OF SANDALS TO THE CROCS BRAND

- \$30B global footwear category
- Our molded technologies, accessible price points, and strong go-to-market should allow us to compete effectively
- Additional entry point for the Crocs Brand
- High purchase frequency
- Crocs Brand sandal consideration is on par with that of clogs
- Crocs has a sizeable business, with 2022 sandal revenues of ~\$310M

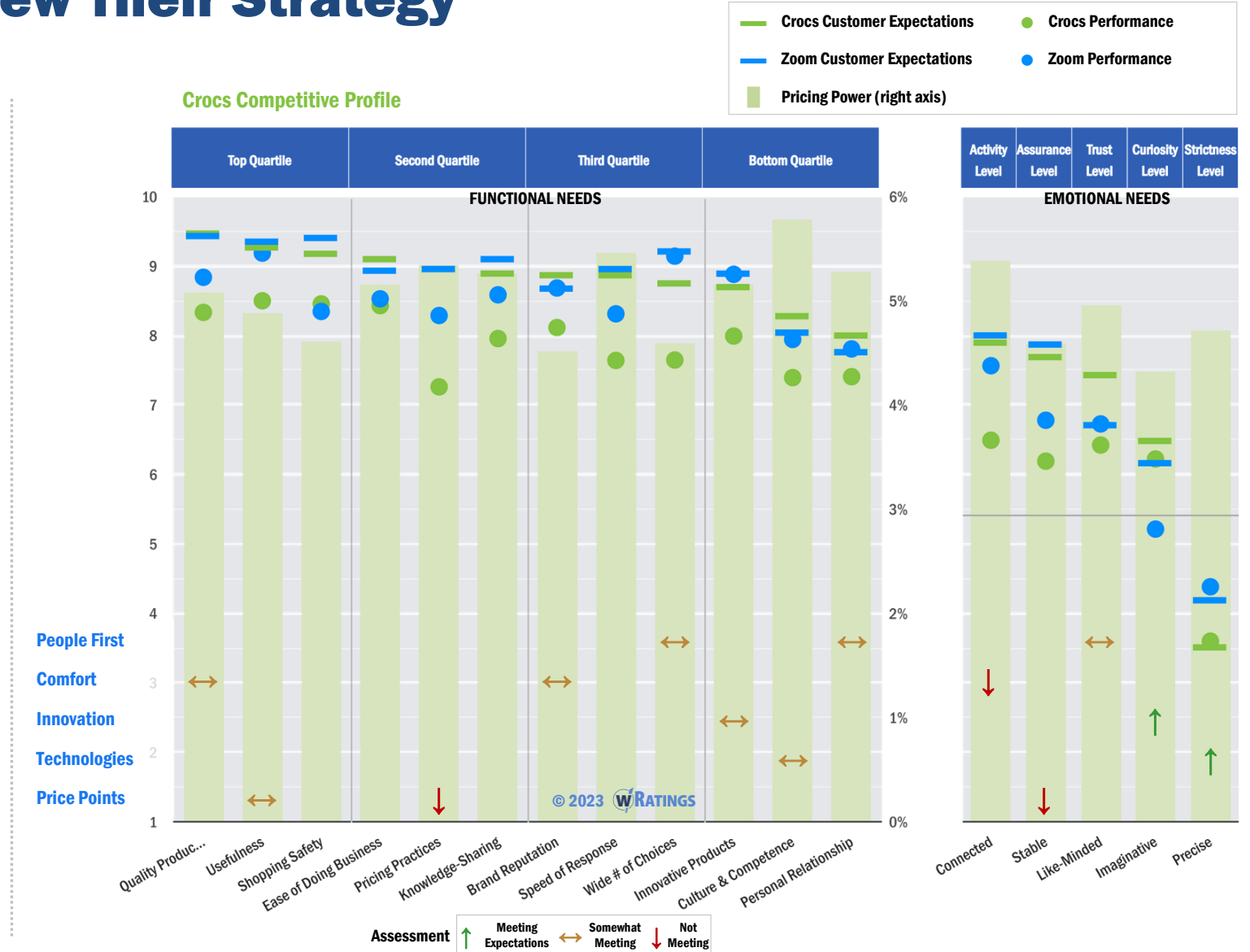
Crocs Investor Presentation  
February 2023

# How Crocs Customers View Their Strategy

To assess Crocs performance against their growth strategy, we map each key area to user expectations (green lines) and then measure how closely Crocs meets them (green circles). We also show how customers of Zoom (circles) rate Zoom performance.

- A **People First, One-of-a-Kind** strategy requires Crocs to maintain its personal relationship with customers while attracting new consumers by offering a variety of products. Given the quirky nature of apparel, Crocs has only been somewhat meeting customer trust levels.
- **Simplicity and Comfort** are at the core of the Crocs brand, where customer quality is only somewhat being met. Consumers are also struggling to connect with the brand.
- **Imaginative Innovation** is a core strength where Crocs fully meets consumers' curiosity levels, although they would prefer to see more innovative products.
- **Proprietary Technologies** is where customers evaluate the Crocs culture and competence, along with the ability to tailor its products. Crocs really shines in their flexibility for customers, and while their culture is unique, getting new customers to believe in them has lowered their scores since last year.
- **Accessible Price Points**, a key driver of future Crocs expansion, remains a struggle for customers. While Crocs products are useful, consumers would like to see more stability and reassurance from the brand.

Crocs has built its own ecosystem around an innovative product line. They setup the new rules to win by creating barriers that rivals find difficult to break through.





# Tractor Supply Growth Strategy

Tractor Supply positions itself as the USA's largest rural lifestyle retailer focused on recreational farmers, ranchers, and everyone else that enjoys the rural lifestyle. They use a highly successful "Life Out Here" strategy to create a unique set of rules that they clearly set out. These five rules make duplication more difficult for competitors.

This strategy allows the company to focus on building a product assortment around these core customers: home, land, pet and livestock owners. This group typically has above average income and below average cost of living. That's a desirable target market.

Tractor Supply continues to expand its offerings to add more value for customers. They've catered to the pet parent market with pet insurance, pet prescriptions, vet clinics, and even in-store pet washing centers. They've obtained rights to brand name products such as Bosch and Dremel. And they are building garden centers on their store's side lots. Same customer, new value.

**The company provides outstanding customer service making it easy to do business with them. Much of this is attributable to an internal culture where Associates focus on specialized knowledge of their product assortment.**

To leverage their high-value customers, Tractor Supply created their Neighbor's Club loyalty program. Suppliers often kick-in with cost reductions, and ~70% of total sales come from the members.

**Broad-Based Strength in Customer Trends**

Reached an All-Time High in High-Value Customers

Neighbor's Club

**LIFE Out HERE STRATEGY**

We are committed to being an integral part of our customers' lives as the dependable supplier of Out Here Lifestyle solutions.

Anytime • Anywhere • Any Way

TSC TRACTOR SUPPLY CO

+47% Neighbor's Club Growth the Last 2 Years

FOR LIFE OUT HERE

Fourth Quarter 2022 Earnings  
January 26, 2023

## Key Rules from Tractor Supply

- Personal, Legendary Customer Service
- Digitize: Anytime, Anywhere, Any way
- Operations: Supply Chain Capabilities
- Culture: Connect & Empower Team Members
- Brand, Value, Healthy Growth

**LIFE Out HERE**

In 2022, we made significant progress on our multiyear Life Out Here Strategy, introduced in 2020.

**Deliver Legendary Customer Service**  
Expand and deepen our customer base by providing personal, localized and memorable customer engagements.

**Advance our ONETractor Capabilities**  
Evolve our anytime, anywhere, any way customer experiences by digitizing our business processes and furthering our omni-channel capabilities.

**Operate the Tractor Way**  
Drive operational excellence and productivity through continuous improvement, increasing space utilization and implementing advanced supply chain capabilities.

**Go the Country Mile for our Team**  
Connect, empower and grow our Team Members to enhance their lives and the communities they live in, enabling them to provide legendary service to our customers.

**Generate Healthy Shareholder Return**  
Allocate resources in a disciplined and efficient manner to drive profitable growth and build shareholder value.

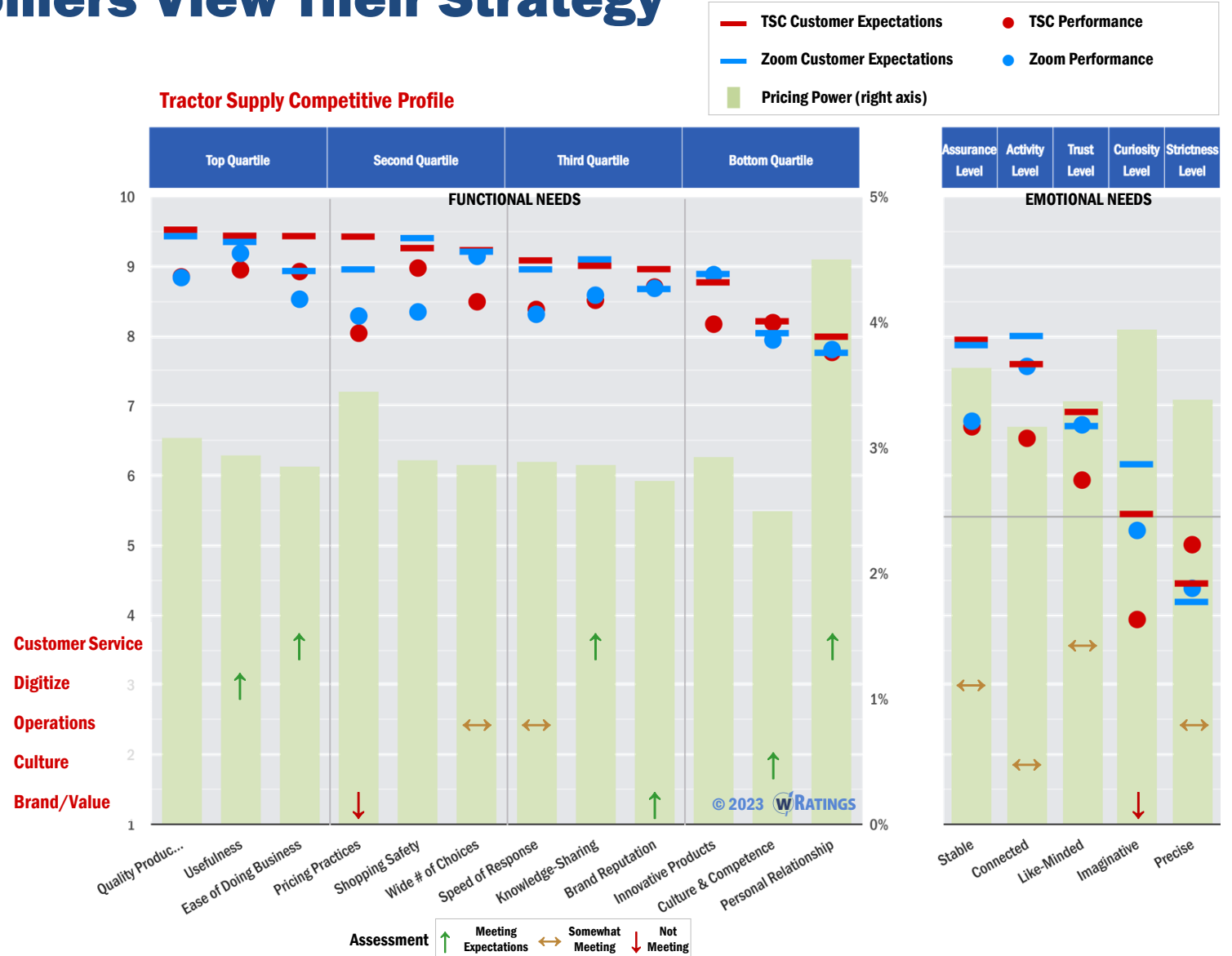
2022 Annual Report  
January 26, 2023

# How Tractor Supply Customers View Their Strategy

To assess Tractor Supply's (TSC) performance against their strategy, we map each key area to customer expectations (lines) and then measure how closely TSC meets them (circles). We also show how customers of Zoom (circles) rate Zoom performance.

- **Personal, Legendary Customer Service** is essential to the 'Life Out Here strategy' and TSC hits the mark on all functional needs. They make it easy to do business, possess strong product knowledge and build highly personal relationships.
- **Digitize: Anytime, Anywhere, Any way** requires the company to translate its in-person experience to the digital world. Customers do see TSC as highly useful, an indicator that the company is delivering on its digital efforts.
- **Operations: Supply Chain Capabilities** are efficiencies, which customers see through speed and product choices. TSC could improve some in both these areas, and customers would prefer more flexibility and options available to them.
- **Culture: Connect & Empower Team Members** is the foundation for their legendary customer service, and customers clearly believe in the TSC culture and competence so much that they would like to see more activity and connection with them.
- **Brand, Value, Healthy Growth** centers around how customers see the brand, its curiosity levels and its pricing practices. The Tractor Supply brand has an excellent reputation with customers. But as is often with a large assortment of products, customers prefer to see improved pricing practices.

Similar to Costco, Tractor Supply is most vulnerable with its emotional bonds with customers.



# Zoom Growth Strategy

Zoom (ZM) is a unified platform that combines video, chat and content sharing. Their stated mission is to make video communications frictionless and secure.

The company experienced meteoric growth at the start of the pandemic due to remote work/school, and became a verb similar to FedEx, Google, Uber and Xerox. Fast forward to 2023 though, and revenue has been declining. The company now projects revenue to “generally decline in future periods.”

**Still, Zoom remains the recognized market leader and continues to chart a compelling vision for what it can become.** They strive to be a communications platform that includes webinars/events, the Zoom phone, the Zoom apps marketplace, and other products.

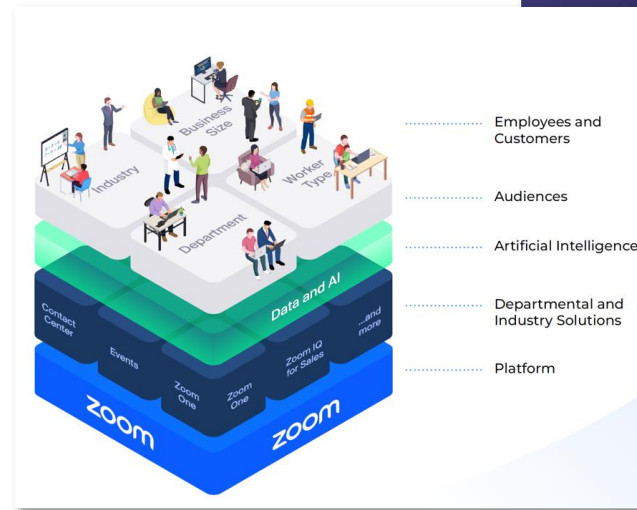
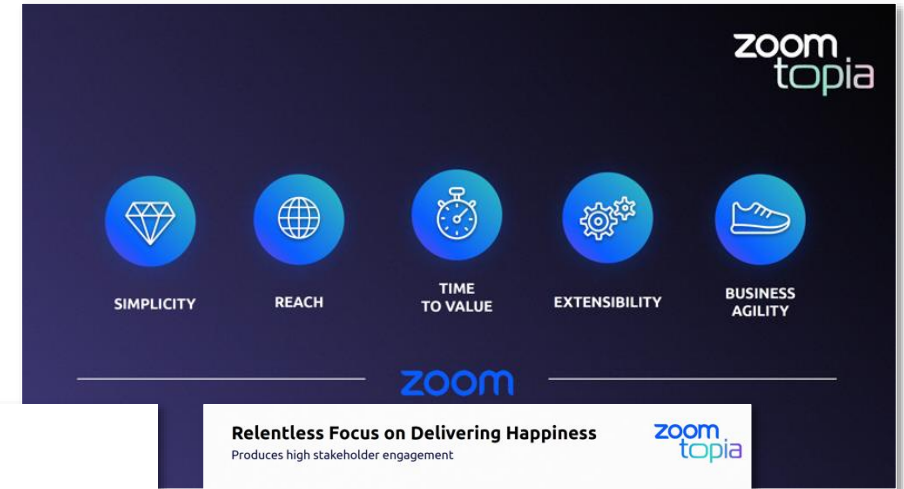
Zoom faces tough competition from an industry giant in Microsoft Teams, which until recently was bundled with MS Office. While head-to-head competition with Microsoft is challenging, Quicken did it and won. Slack also competes with Teams and is winning just like Zoom is. **Quicken, Slack and Zoom all force rivals to compete using their rules.**

The future of Zoom revolves around a unified communications platform, hybrid work and business workflows. And as they drive the new business strategy, they continue to focus on the intangibles: A culture of delivering happiness, Embedding trust in everything they do, and Living the core value of Care.

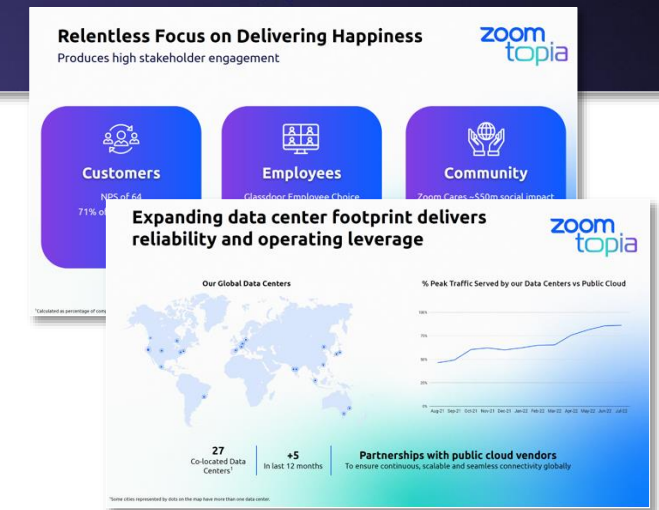
Zoom is rewriting the rules of competition that make it difficult for competitors like Microsoft and Cisco to duplicate, even with their size and reach.

## Key Rules from Zoom

- **Reach, Reliability & Security**
- **Simplicity & Happiness**
- **Trust: Time to Value**
- **Extend & Collaborate: Unite People**
- **Business Agility: Smarter Workflow**



Zoom Q4 FY23 Earnings  
February 27, 2023



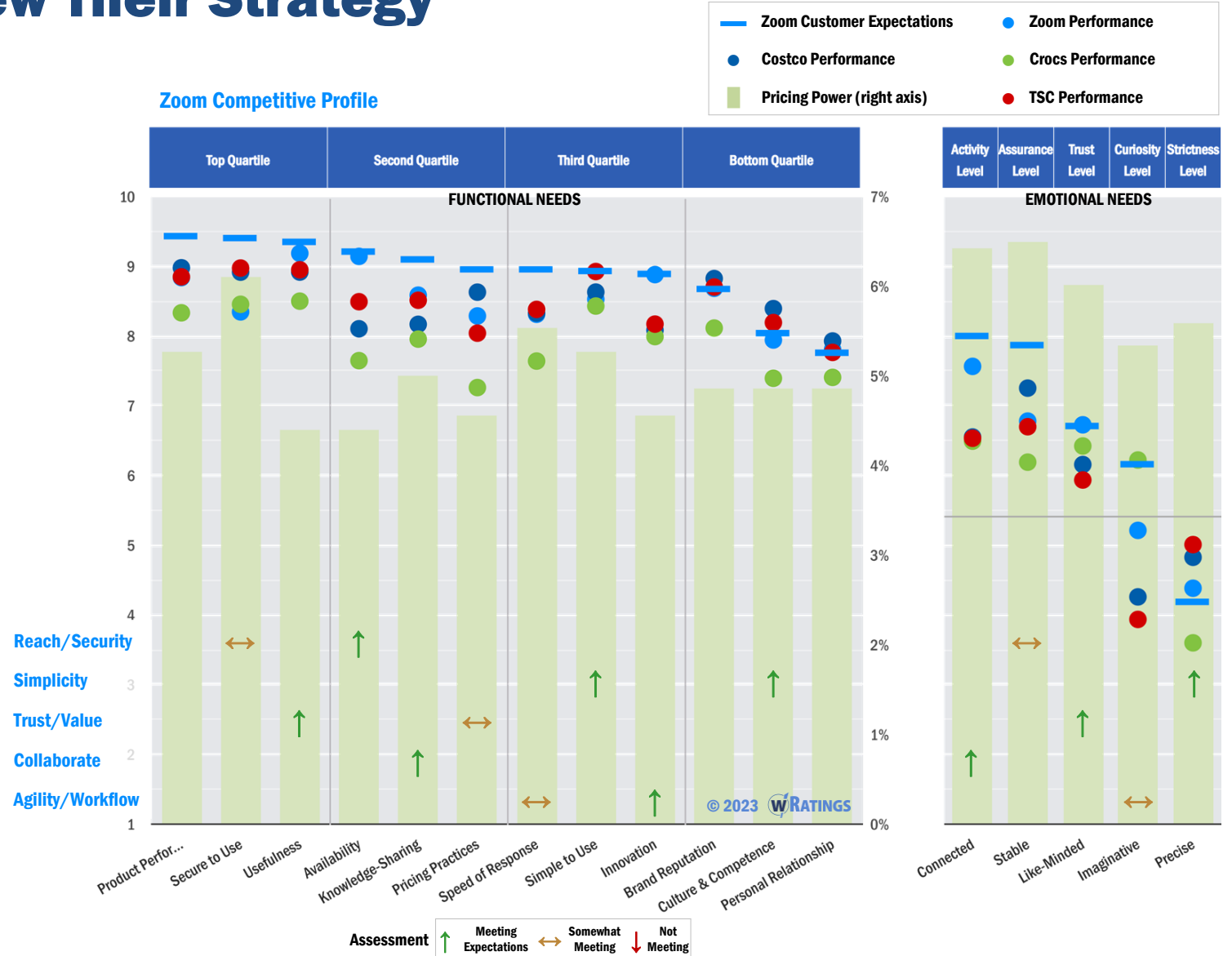
Zoom Investor Day  
November 8, 2022

# How Zoom Customers View Their Strategy

To assess Zoom’s performance, we map each key area to customer expectations (lines) and then measure how closely customers say Zoom meets them (circles). We also show ratings for customers of Costco, Crocs and Tractor Supply.

- **Reach, Reliability & Security** is part of Zoom’s mission and the company has not yet fully recovered from their earlier challenges with Zoombombling and links to China servers. On the positive side, customers are delighted with its availability.
- **Simplicity & Happiness** revolve around the Zoom culture, strictness and just being simple to use. Customers are fully buying into these Zoom intangibles, indicating their differentiators are intact against larger competitors.
- **Trust: Time to Value** is a key promise made, and customers do trust and value Zoom. Even with a free entry level product, customers would still like a better overall price to value.
- **Extend & Collaborate: Unite People** is a core strategy for future revenue, and customers are fully buying into Zoom’s ability to share knowledge and connect with others.
- **Business Agility: Smarter Workflow** requires speed, innovation and curiosity. Customers do view Zoom as an innovative company, but would like to see Zoom become more imaginative and faster to respond to their needs.

Zoom provides an novel way for retailers to look for value. They’ve built strong emotional bonds where customers trust and connect with them, all while remaining flexible in their approach. **Zoom wrote the new rules of competition for meeting software. Now, they want to extend them as a communication platform.**





# Moat Framework & Revenue Growth

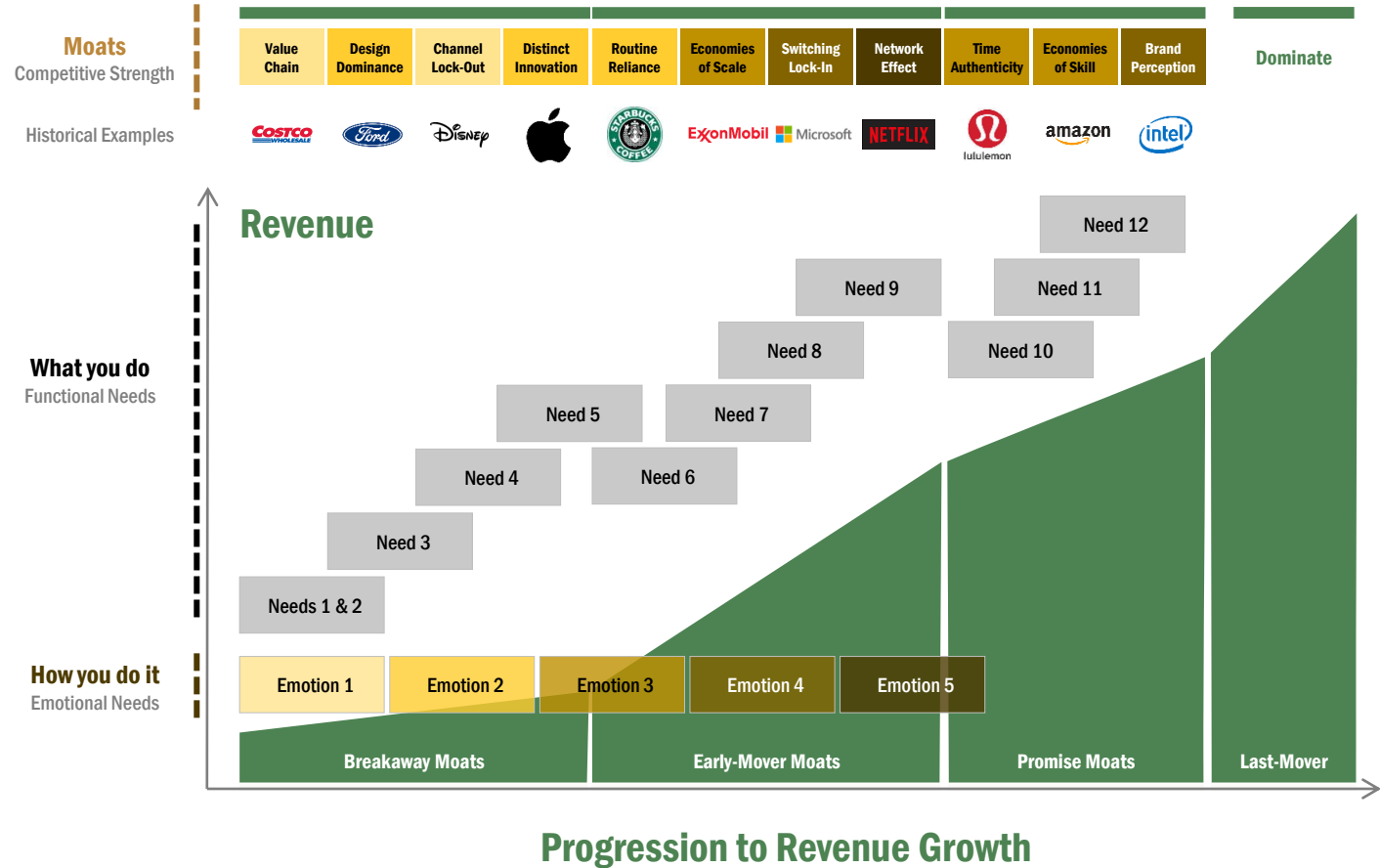
Similar to castles of the past, companies must build moats around their customers to keep rivals from taking them away. Most discussion about moats in business refer to economic moats, where a company's advantages are seen (or not) in their financials. Our moats refer to customer moats, which are the precursors to and continuation of economic moats.

In two different studies (2001-2005 and 2005-2015), we examined 135,000+ customer interviews to determine what the most financially successful companies did to meet expectations better than their industry rivals. **We found 11 patterns – moats – in the data that show how companies progress through stages to meet specific customer needs and build momentum.**

Executives can borrow ideas that meet those needs from other companies outside their industry and adapt them to build moats to out-smart and out-execute rivals.

Progression to revenue growth typically occurs over four stages:

- **Breakaway:** Up to 85% of all companies get stuck in the first two moats as they fluctuate between performance and price promises. Don't think outside the box, create a new one.
- **Early-Mover:** Out-think and out-execute rivals by setting up new rules that rivals struggle to follow.
- **Promise:** Using the power of consistency over time, generate barriers for customers to use in their buying decision factors.
- **Last-Mover:** Never let rivals say they are "the same"; Constantly defend and repeat growth moats to avoid reversion to the mean on your financials.





# Borrowing Zoom to build new Costco Moats

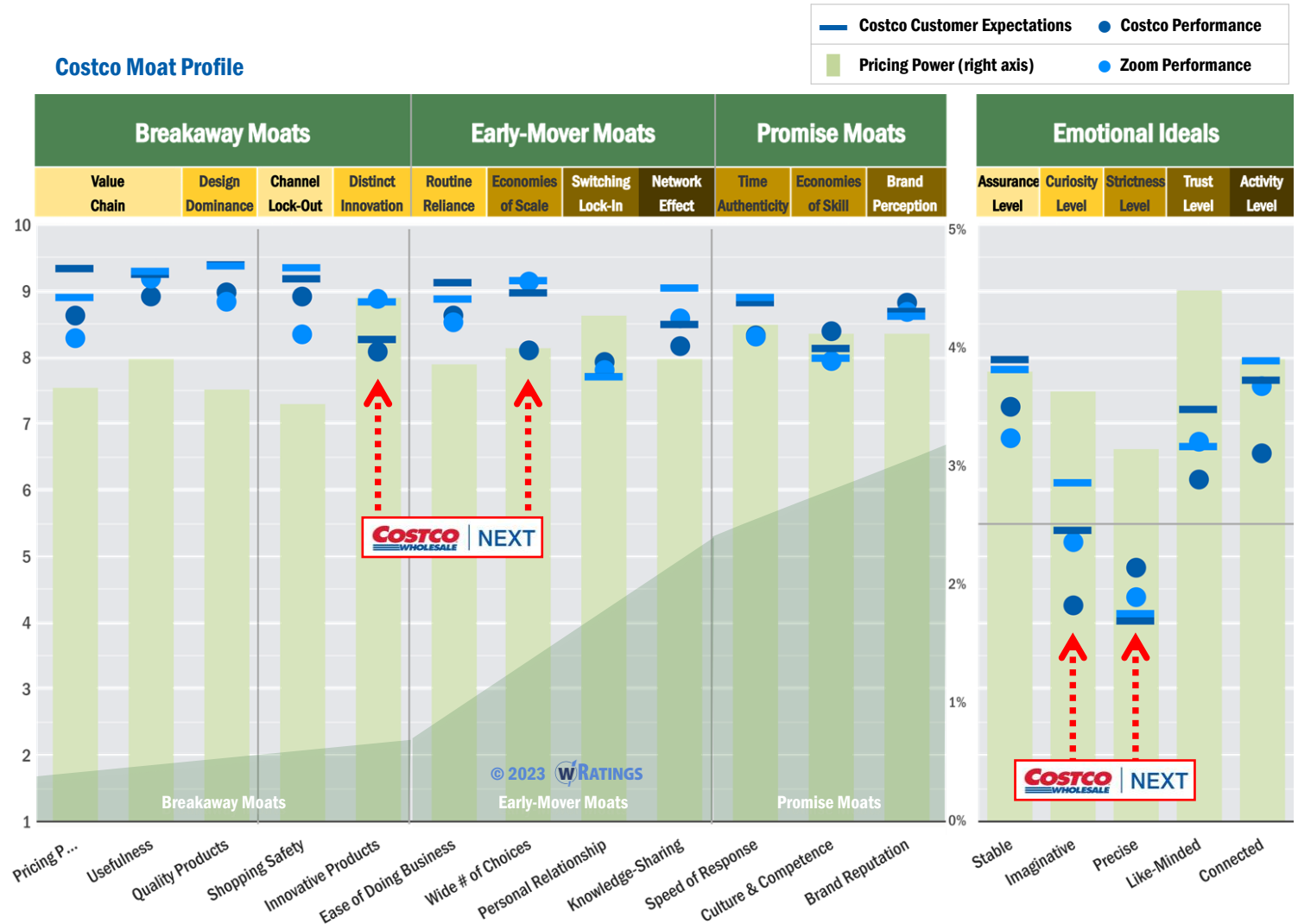
Moat Profiles rearrange customer data into stages of revenue growth progression to visually see the best opportunities for investment. In this Moat Profile, we overlaid the Zoom business on Costco. Performance gaps with Zoom identify potential ways to create more value for Costco customers.

At first glance, both of these companies perform amazingly well at meeting their customer expectations. But a few key differences show opportunities for Costco to borrow some Zoom ideas to become competitively stronger:

- **Distinct Innovation.** Think Apple or Tesla for this moat, where the company challenges the status quo. Costco’s “triggers and treasures” is already a hit. **By emphasizing any new ways to get its unique assortment of products to customers, Costco could raise the expectations bar and grow their membership.**
- **Economies of Scale.** A drawback of offering a reduced assortment is the lack of customer choices. As a software program, Zoom is available 24x7. **Any online version of Costco that offers more products will help capture more revenue.**

Although some members today remain unaware of the program, Costco Next (launched in 2017) provides members with access to extremely limited time-deals (days) direct from suppliers at the Costco discount prices. This direct-to-consumer (DTC) program costs Costco little to manage since suppliers manage it all.

**The result for customers is more innovation, more choice, more curiosity, more flexibility. As more members use Costco Next, they should become as happy as Zoom customers in all these areas.**



**Appendix**

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# **The Power of wRatings**

# Our Business Framework: We Help Executives Win

Using our customer perception research and patented methods, **we make revenue growth visible so executives can set the new rules of competition in their markets.**

To drive financial improvement for our clients, we make a series of fixed investments in tools, benchmark databases and predictive analytics. Using our proprietary algorithms, we build forward-looking views of where companies can create compelling value for their customers.

In May 2002, our research was highlighted as the cover article in *Harvard Business Review*. We are a partner to the *Drucker Institute* to score the best managed companies, which is published in the *Wall Street Journal* every December.

CEOs/Executive Teams and PE Firms/Hedge Funds gain real-time access to our research & analytics through our fully automated SaaS (Software-as-a-Service).

**Since January 1<sup>st</sup>, 2015, one fund has used rankings of the top 25 companies in our database, and has consistently outperformed the S&P 500, Russell 1000 and Russell 2500.**

## FIXED INVESTMENTS



**SaaS**  
(Software-as-a-Service)



**Patents, Analytics & Predictive Power**

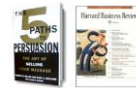


**Benchmark Database**

## LEVERAGED BY



**Online Panels & Business Members**



**Articles & Books**



**Reports, Indexes & Events**

## SUBSCRIBED BY



**CEOs & Executive Teams**



**PE Firms & Hedge Funds**

**Companies scoring the highest in our ratings out-perform the S&P 500, Russell 1000 and Russell 2500**

Our Top Companies	S&P 500 (Total Return)	Russell 1000 (Total Return)	Russell 2500 (Total Return)
<b>154.1%</b>	<b>133.2%</b>	<b>128.9%</b>	<b>83.5%</b>



Source: Concentus Wealth Advisors, April 1<sup>st</sup>, 2023

## Our Portfolio of Winners (sample from 450+ companies)

While we work with organizations from all sectors of the global economy and have conducted research in 40+ countries and 15+ languages, we are not industry experts in anything but one area: revenue growth.

Since the late 1990's, we've been measuring customer expectations and how well companies and their rivals meet them. We also measure how much pricing power each company possesses, and which customer areas each company can improve to capture the most pricing power.

We especially value our executive relationships, where many have worked with us at multiple stops during their careers. This is a clear sign that our system not only works, but is an integral part of an executive's playbook to success.

### Consumer Goods

Brown-Forman  
Coca-Cola  
Coors  
Estee Lauder  
Johnson & Johnson  
Kellogg  
Lexmark  
Nike

### Finance/Insurance

Aflac  
Equifax  
GE Healthcare  
GEICO  
MasterCard  
Northwestern Mutual

### Home & Travel

AirTran Airlines  
Allied Waste/Republic  
Builders FirstSource  
Carnival Cruises  
FedEx  
Sikorsky Aircraft  
The UPS Store

### Media & Advertising

Anthony Robbins Co.  
BBDO  
ESPN

### Telecom

AT&T / Cingular  
Verizon

### Retail/Food

Aramark  
Burger King  
Chili's  
Dollar Tree  
Men's Wearhouse  
OfficeMax  
Performance Food  
PetSmart  
Rite-Aid  
Walmart

### PE & Hedge Funds

Concinnity Group  
CVC Capital  
Diamondback  
Mantle Ridge

### Tech/Consulting

Cymer  
Drucker Institute  
Google  
i2 Technologies  
IBM  
Oracle  
SAP

### Industrial/Materials

ADAMA  
DLF Seeds  
Finning/Caterpillar  
Shrieve Chemical  
Syngenta  
Univar  
Vixxo/FM Facility

# Breaking Away: It's A New Way of Thinking

We help companies leapfrog their rivals by infusing a completely new way of attacking customer value.

**Rather than copying what your competitors are doing (or trying to do), we introduce a superior way to grow your revenue by introducing the only true competitor you have: What customers expect.**

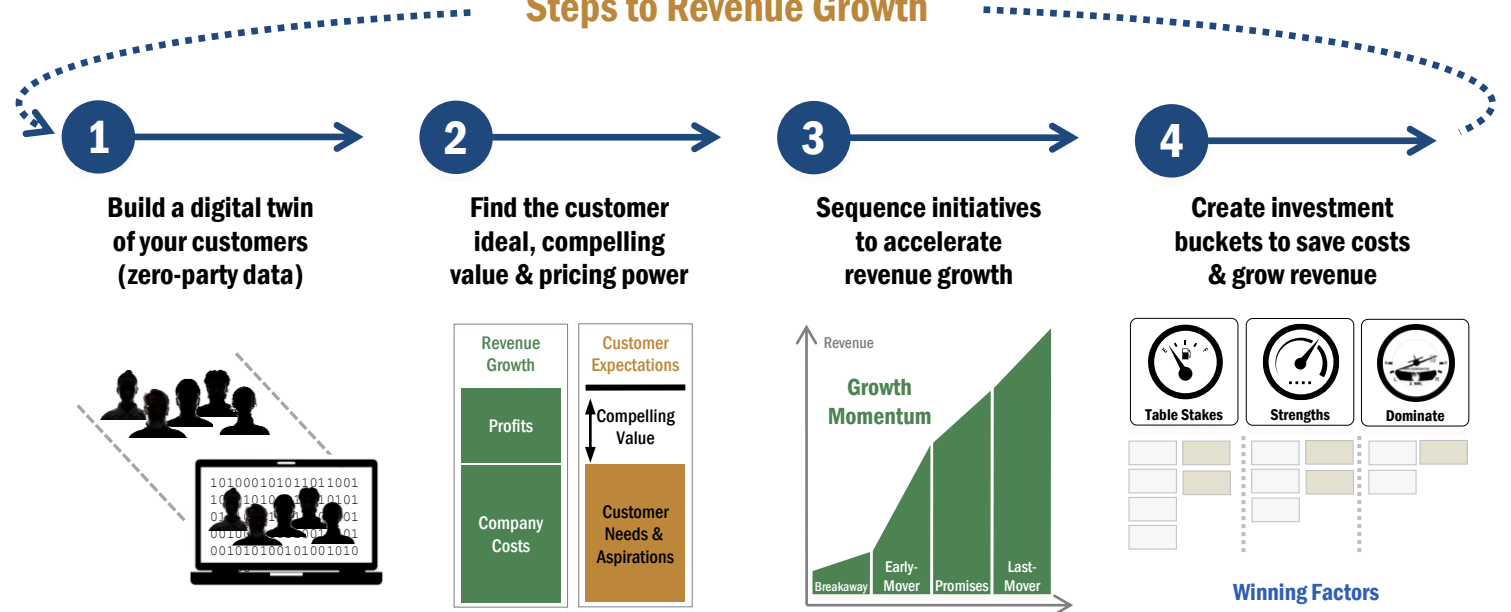
We measure customer expectations based on not only what they want you to do, but how they want to feel when you do it. Emotions drive customers off their status quo and create pricing power, two of the most critical aspects to revenue growth.

By setting the new rules of competition, you force rivals to continually play catch-up to your market position.

Your only true competitor is what customers expect.

Be the one to set expectations by making the rules.

## Steps to Revenue Growth





**THE  REPORT**