

A large crowd of diverse people, seen from an overhead perspective, forming a large, thick 'U' shape that frames the central text. The individuals are wearing various colorful clothing, and their shadows are cast on the white background.

# THE LATEST IN CUSTOMER EXPERIENCE; CMOs SPEAK OUT - 2015

- A CSS Corp Research Report

“ The customer experience is the next competitive battleground. ”

- Jerry Gregoire  
Previously CIO at Dell



# Executive Summary

The advent of technology has transformed the ways in which we interact, communicate and collaborate. Moreover, it has revolutionized our thoughts and opened the doors to a new realm of experience and expectation.

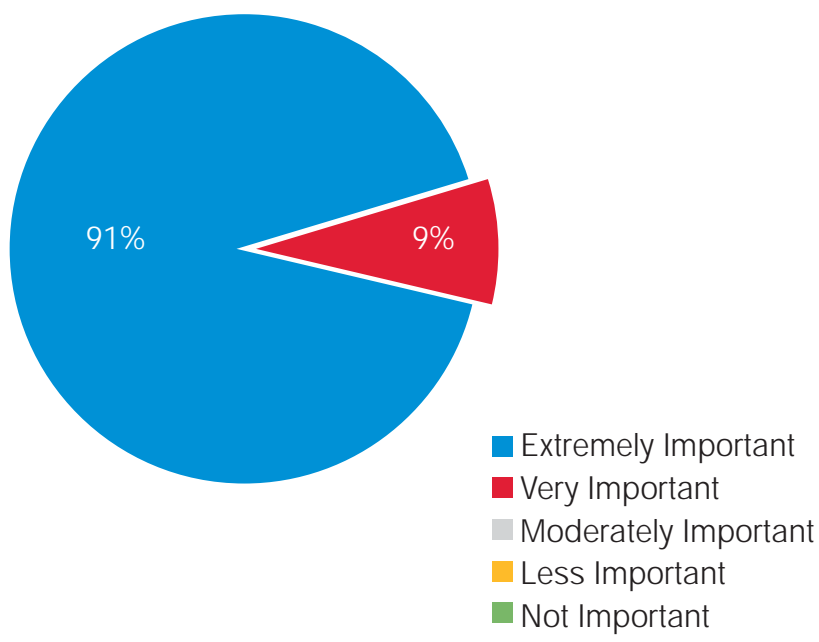
Our ingenuity combined with superior capabilities has enabled us to redefine the efficiency, accuracy and the pace of operations. As we move towards a new world of collective progress, convenience and advanced mobility, technology and the Internet of Things are all set to herald the human evolution in a whole new direction – the path to a better experience.

This path however, is wrought with complexity, and confusion, and needs a focused and meticulous approach, starting with recognizing Customer eXperience (CX) as an area of focus. We asked 700+ CMOs for their thoughts on CX, the aspects of CX and the importance. Here’s what they had to say.

*91% of all CMOs say CX is extremely important*

## Importance of CX in Creating Competitive Advantage

Fig. 01



# The need for Customer eXperience (CX)



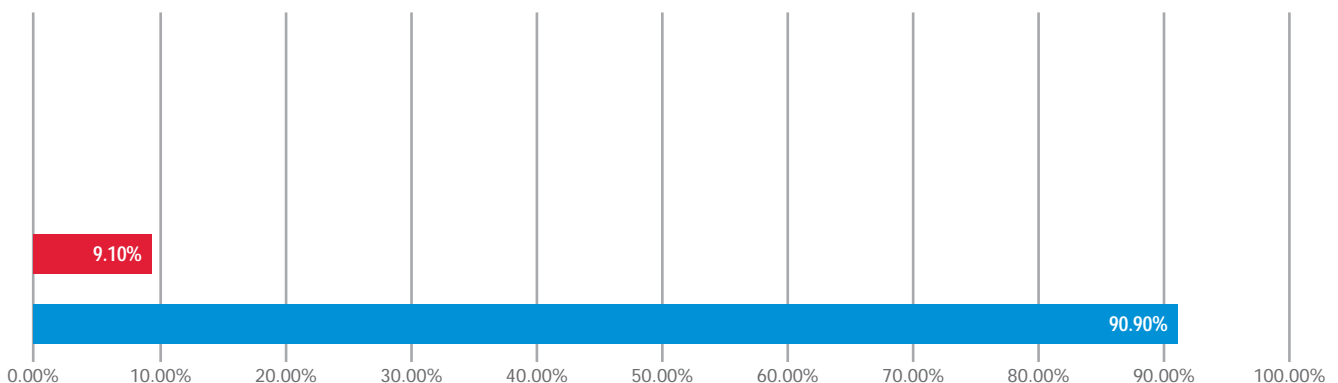
With the advent of the Internet of Things, almost every single customer is becoming an individual target group by him or herself. Furthermore, geographies, jurisdictions, marketplaces and even industry verticals have been blurred by disruptive non-player entrants. More specifically that industry expertise has become synonymous with technology and information availability. Uber, Google, Apple, PayPal, are all examples of how new disruptive entrants with absolutely no legacy of experience in the industry vertical, have conquered marketplaces comprehensively.

If that weren't enough, services and support that were looked upon as a value addition are now being rethought of as the foot in the door. Technology service providers typically start with support to get to the more lucrative and longer-term partnerships with clients. Likewise, end customers are also looking at defining support as a means to distinguish between product and service providers. The customers of today are demanding that support goes well beyond the 'call of duty' to give them the 'Experience' deserving of loyalty.

***CX is the most important factor in enhancing customer loyalty***

Importance of CX in Increasing Customer Loyalty and Retaining Customers

Fig. 02



# The Chief Experience Officer

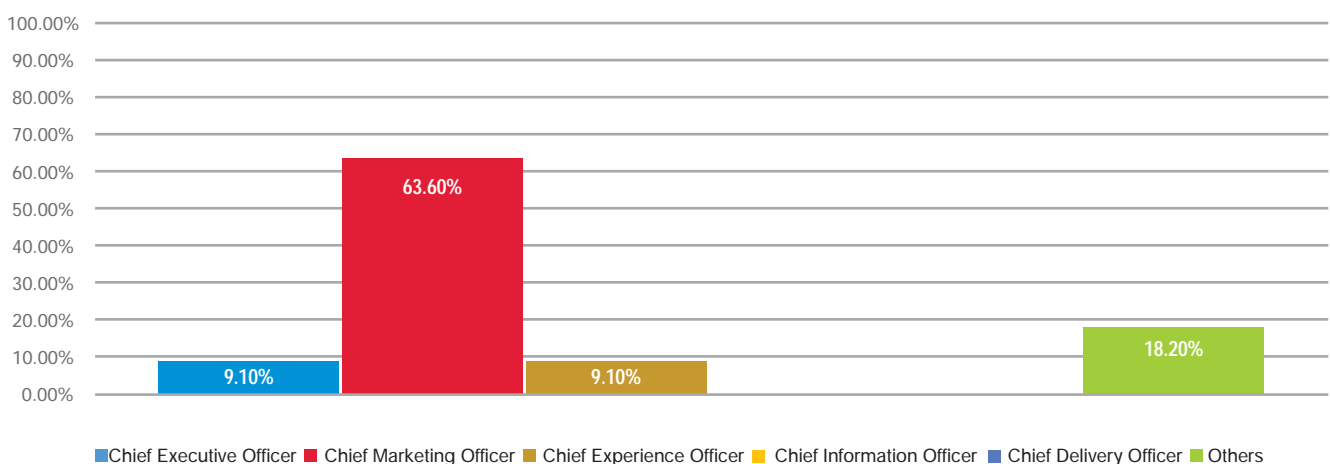


A whopping 91% of the respondents said that Customer eXperience (CX) was key to competitive advantage, and another 90.9% said that CX was crucial in enhancing customer loyalty and retaining customers. However, only 9.1% reported that the custodian of CX was the CXO, the Chief Experience Officer, a role carved out distinguishing CX as a concrete area of enterprise-wide focus, with each aspect of the organizational life cycle, from development to marketing, delivery and support pivoted on CX.

*Yet - only 9.1% of businesses have a CXO*

Custodian of Customer eXperience Management

Fig. 03



# Why a CXO?



A fundamental shift towards the creation of a role of CXO also has its roots in the current trends that the marketplace is perceiving, as well as the challenges faced by the players. With 30.8% of the respondents saying Big Data Analytics is the new trend in CX Management, close to 22% of them said that the biggest problem is actually aligning internal functions with CX.

While leveraging big data technology to get insights to improve CX may be the most sought after trend of today, there is still an even bigger problem. Getting the internal teams, processes, systems and attitudes aligned to this goal. In the organizations of today, the fundamental disconnect is in the fact that:

- ▶ CX Management by itself is a new concept and hence not completely understood. The concept and the organizational approach should percolate from the top down and from the responses, it seems that 89.9% of the marketplace are yet to identify CX as a department and carve a leadership spot dedicated to improving CX.

- ▶ CX needs defined metrics and processes. However, by virtue of it being a relatively new practice, and with the lack of a defined approach, there is confusion around how to go about things; also there are no standards and benchmarks to measure value. This has its result in a sum total of 52.2% — more than half of the respondents — citing the biggest challenges in improving CX lying in:

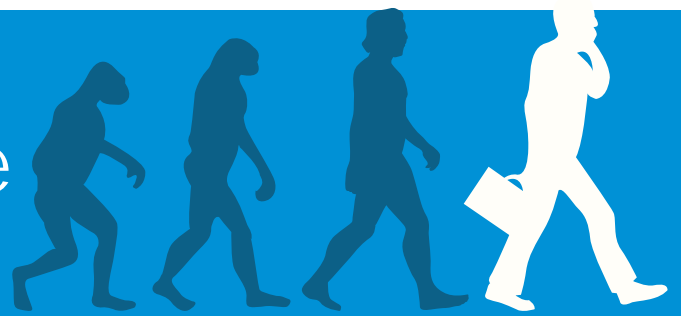
- ◀ Low marketing budgets to fund initiatives due to the lack of visible value
- ◀ Lack of internal alignment due to disparate systems often leads to reduced ability to measure returns, and therefore does not justify investments

- ▶ In order to measure Customer eXperience and changes in CX levels, the existing infrastructure and systems need to be agile enough to acquire the kind of data required to measure CX. Once acquired, the systems need the processing power to deliver insights in time – ideally real time. Thirdly, the systems need to be able to track changes in CX due to the insights being implemented. This would also need the systems to be integrated. Although enterprises today are reasonably well-connected, the issue of technology adoption is real enough to be one of the top challenges for 13% of the CMOs.

- ▶ The changing face of the customer is the new reality. We may tie up the loose ends within the organization, the process, the system, the technology, the investment and the benchmarks. However, we still have the customers themselves who are seemingly forever changing the goalposts. As much as businesses want to build relations with customers, customers are not here

to build relationships with the sellers or providers. They are here for the experience – and will go to whoever provides a better experience. The biggest hurdle is that, this ‘better’ experience has been different in different scenarios, in different age groups, in different regions and in other ‘different’ ways. Albeit not a major issue, 13% of the respondents still emphasized that the changing customer landscape was a big challenge in delivering superior CX.

# Customer eXperience today and tomorrow

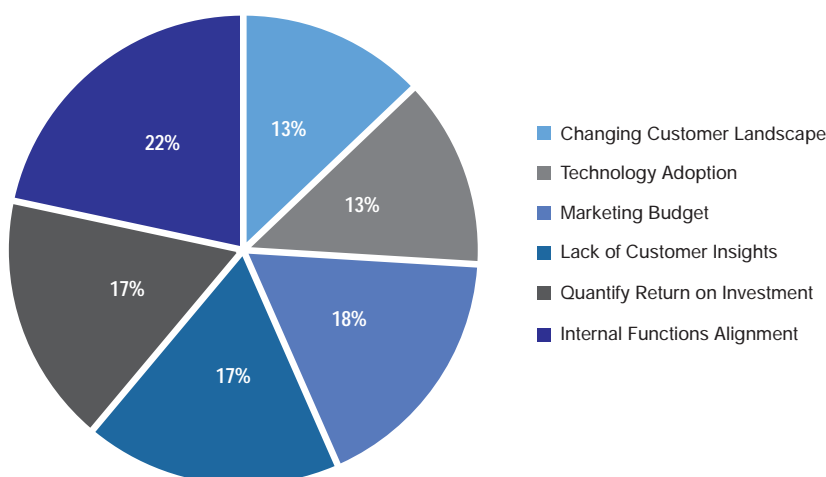


While there are challenges, achieving CX has taken slow but sure steps forward. Some of the trends as reported by the CMO respondents are:

- ▶ **Big Data Analytics** – but of course, the data explosion surely points at Big Data showing us the way forward. This sentiment is also shared by 30.8% of the respondents.
- ▶ **Social Media Management** – both as a source of data, and also a platform for truly engaging and connecting with the customer, Social Media Management is an area that every business is turning to, as a means to build CX. Technology today has combined big data, analytics, social media presence and customer relationship management to scan the social media universe for adverse experiences and turn them into tickets for the customer support teams to respond to and rebuild the relationship, from within the enterprise CRM system. Although only 15.4% of the respondents suggested that Social Media Management was a trend, this is just one of the means – the other improvements include Natural Language Processing and Predictive and Prescriptive data modeling of social media data.

## Biggest Challenges Encountered by CMOs

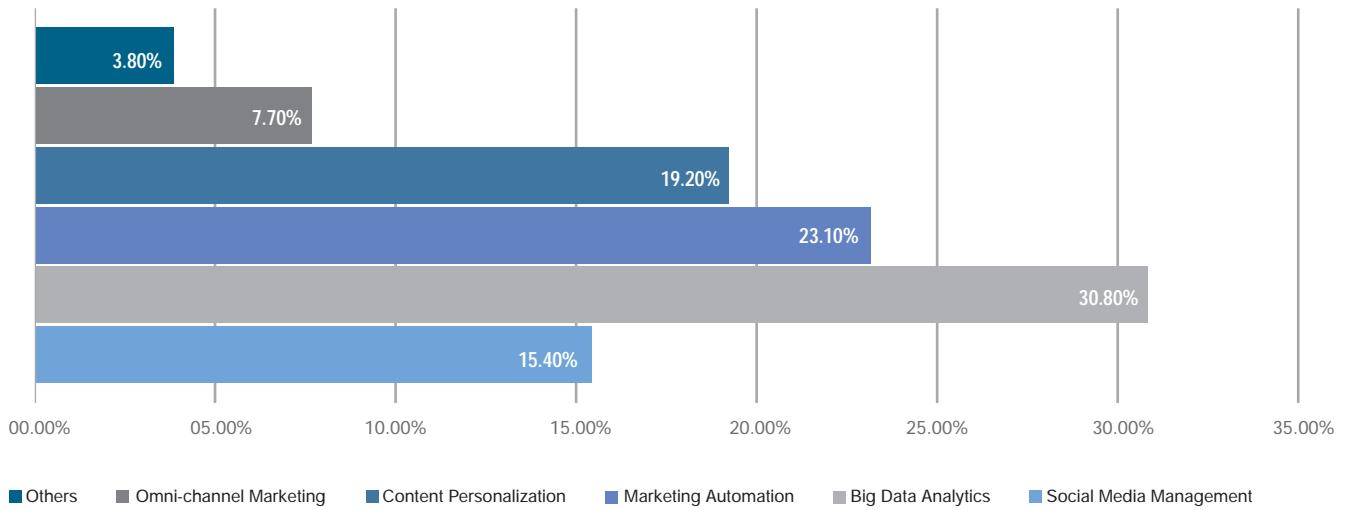
Fig. 04



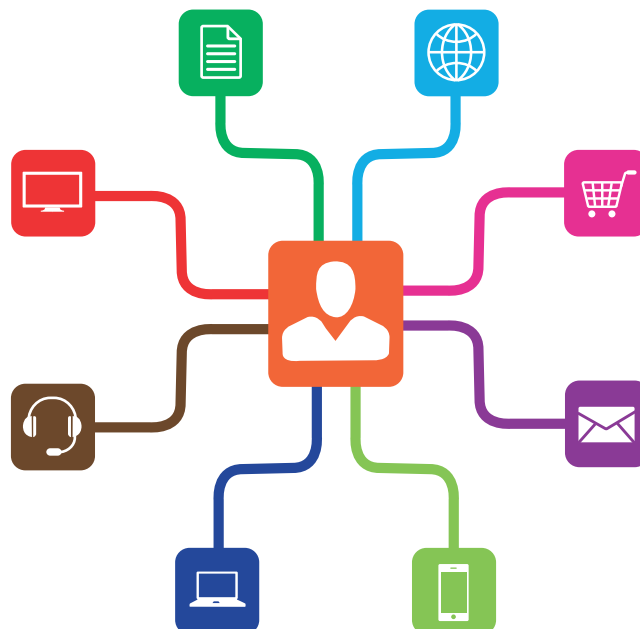
*Disparate factors continue to slow CX initiatives*

## New Trends in CX Management

Fig. 05



- ▶ **Marketing Automation** – With a 23.1% popularity among the respondents, automation in marketing is also a significant focus. From the empirical to the sophisticated, marketing systems of the future will use prescriptive and predictive models developed from big data analytics of social media and customer data to, in essence, automatically customize products and services to the precise needs – down to the thoughts of the prospective customer.
- ▶ **Content Personalization** – The technological background that supports marketing automation, also opens the gateway to Content Personalization, down to the individual. 19.2% of the respondents also saw Content Personalization as the trend of the future in CX.
- ▶ **Omni-channel Marketing** – Although the world around us has already begun becoming omni-channel, the Internet of Things is continuing to change the channels of marketing. This has led to Omni-channel Marketing receiving attention as well. A small 7.7% considered this a possible trend of the future.





# Supporting Customer eXperience



Last but not the least, what also drives CX is the kind of support that builds trust and keeps customers coming back for more.

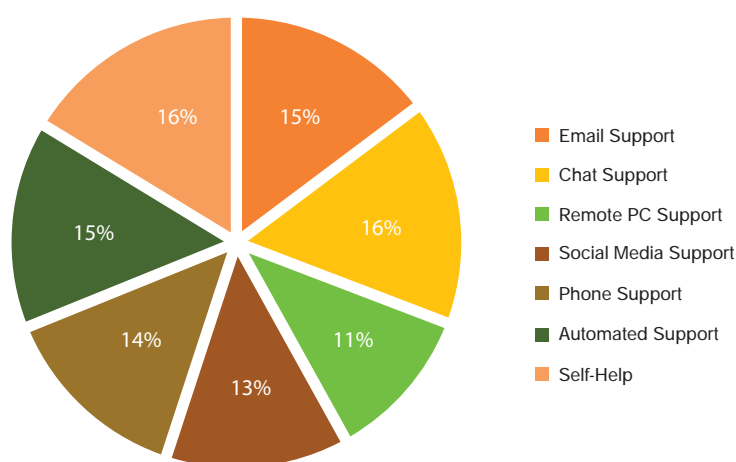
The drivers however are unclear, with only self-help and chat emerging as reasonably clear choices with a 16.32% of respondents pointing at these two as the prime drivers of improved CX. The others included Remote PC Support, Social Media Support, Email, Phone and also Automated Support.

One thing is definitely clear though – that as the Internet of Things adds channels and means of interaction, the channels of support have also increased correspondingly.

The customer is omnipresent – the channels of interaction are everywhere, and businesses must make themselves omnipresent and support the customers where they are, in what they do, to deliver the quintessential customer experience truly deserving of customer loyalty.

## Importance of the Channels of Support in Delivering a Great CX

Fig. 06



*Every channel is important in creating great CXs*

