

A Custom Technology Adoption Profile Commissioned By IBM | December 2016

Designing A Customer-Obsessed Business

On The Path To Creating Exceptional Experiences

GET STARTED ▶



Designing A Customer-Obsessed Business

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Customer Experience In The Digital Age

As industry lines blur and experiences become increasingly digital and mobile, companies recognize that the time to heed the business imperative of customer obsession is here. In order to deliver exceptional customer experiences and deal with disruption in the market, companies must embrace the idea that customer experience (CX) is not a singular initiative and instead requires a holistic business redesign. A well-developed CX strategy executed successfully has the power not just to keep the customer satisfied and loyal, and therefore profitable, but to transform companies from the inside out.

In September 2016, IBM commissioned Forrester Consulting to survey 100 customer experience professionals involved with making decisions around strategy and implementation of CX initiatives, to gauge how organizations are dealing with the CX imperative and how far they have moved toward a transformative customer experience. What follows will highlight opportunities for companies to close the gaps that exist and venture further down the path to creating exceptional experiences.



Region

Custom survey of 100 customer experience decision-makers across industries

US only



Company size

- › 19% 500 to 999 employees
- › 31% 1,000 to 4,999 employees
- › 22% 5,000 to 19,999 employees
- › 28% 20,000 or more employees



Title

- › 48% Managers
- › 37% Directors
- › 11% VPs
- › 4% C-level executives



Position/department

- › 48% Marketing
- › 40% Customer experience
- › 12% Executive management

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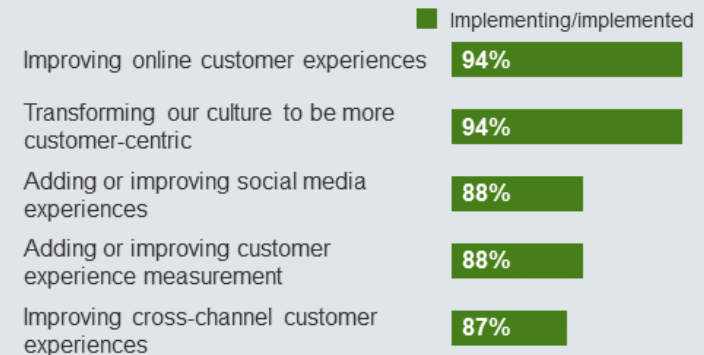
Working For Customer Focus

In the age of the customer, there is no excuse for failing to acknowledge the importance of good customer experience. Falling in line, many companies have begun to take strides to accomplish these goals, focusing mostly on improving digital experiences and their measurement. Nearly all, however, are working on a customer-centric cultural transformation, a goal that may be easier said than done. Still, the fact that most companies are actively taking steps to improve their customer obsession is promising.

Only 65% of organizations surveyed reported adopting experience design practices, and a quarter reported having no dedicated CX group within their organization.



Actions Taken To Achieve CX Goals



Base: 100 manager+ customer experience decision-makers in US companies with 500-plus employees
Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, September 2016

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CX Tech Use Is Elementary

Though CX professionals say they want to move the customer experience meter to the right, they aren't doing it. While technologies as potentially transformative as virtual reality, wearables, and cognitive solutions are available, few companies are using them with their customers. And given the importance companies place on improving customers' cross-channel experiences, the use of tag management is surprisingly low.

One-third of companies do not use mobile apps to enhance customer experiences.



Technologies Used To Enhance Customers' Experiences



Base: 100 manager+ customer experience decision-makers in US companies with 500-plus employees
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CX Integrated Solutions Focus On Simple Analytics

Technologies that are essentially the price of entry for CX initiatives — like customer surveys and other analytics — are widely integrated, but the same cannot be said for more advanced technologies like internet of things (IoT) and cloud computing. While technology adoption is not the sole way to improve CX, it is a crucial building block on the way to a customer-obsessed business. Emerging tech needs to be strategically implemented for value if a company wants to truly redesign itself in the interest of the customer.

How fully integrated are each of the following technologies with your CX strategy and goals?



Base: 100 manager+ customer experience decision-makers in US companies with 500-plus employees
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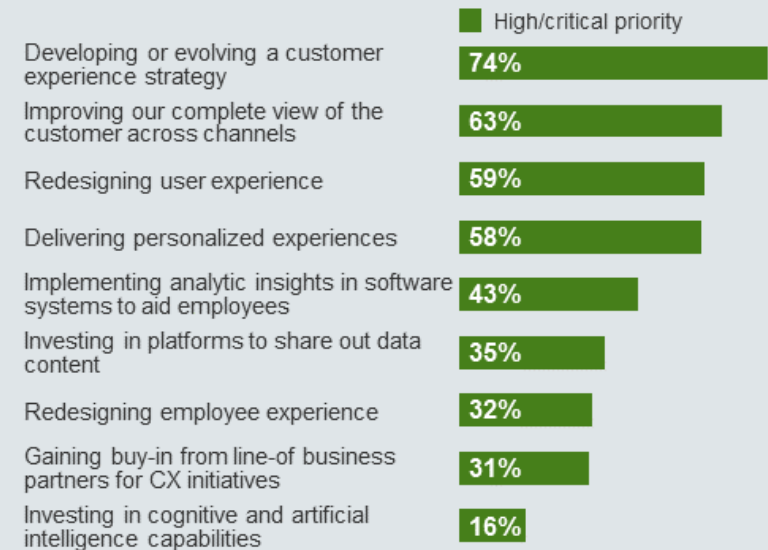
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Companies Remain At The Beginning Of Their CX Journey

Organizations are currently taking an unbalanced approach to CX. Still focused on evolving their overarching strategies, companies are paying less attention to data and insights, and even less still to actually sharing that data. And though a customer-centric company culture is paid lip service, there is little indication that any real transformation is taking place organizationally. Providing employees with the data, tools, and environment they need to be successful is not often prioritized, and less than a third of companies noted any effort to seek support from their partners throughout the organization for CX initiatives. Without that, collaboration proves challenging.



Prioritized Initiatives Over Next 12 Months



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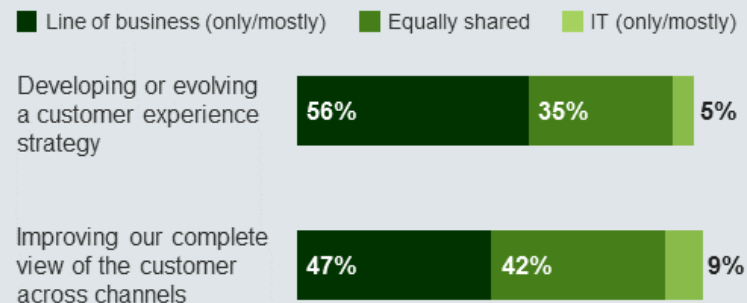
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Mostly Led By LOB, IT Has Little Role Currently, But A Push Toward Shared Responsibility Is Evident

The desire to equally share responsibility for CX tasks is present, but IT and line-of-business (LOB) partners are not always well aligned when it comes to these goals. Falling mainly into the hands of LOB, CX strategy components are too often fragmented across parts of the organization. When one part of the company views its customers with a very different lens than another, the customer experience cannot be unified across channels, and it cannot succeed. This push toward shared responsibility, though, is encouraging.

Broader strategy initiatives are moving toward shared responsibility.

How are the following CX responsibilities shared among parts of your company?



Base: 100 manager+ customer experience decision-makers in US companies with 500-plus employees (not all responses shown)
Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, September 2016



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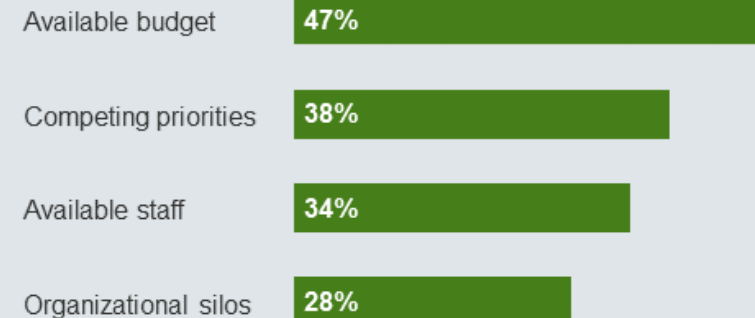
Companies Struggle Against Insufficient Resources And Organizational Silos

Given the current fragmentation of CX responsibility distribution, it should be no surprise that organizational silos rate as a challenge for CX implementation. Similarly, if insufficient effort is placed on gaining buy-in from corporate partners on stated CX goals, competing priorities are likely to impede success as well. Though budgetary restrictions are a challenge for nearly any business initiative, the lack of an integrated, unified approach resulting from a disjointed organizational structure is a huge impediment to improved customer experience for companies today.

Three of the top four barriers to CX strategy implementation are structural rather than technical or financial.



Challenges To CX Strategy Implementation



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A Successful CX Strategy Requires Executive Leadership And Proper Funding

Simply put, companies must put their money where their mouth is. Merely asserting that your company is customer centric is an empty promise if there is no leadership or innovation there to back it up. It is necessary to appoint executive-level leadership to ensure the initiative maintains momentum and reaches stated milestones. Accountability is key when trying to move forward.

How much do you agree with the following statements about your organization?

■ Completely/somewhat agree

We are customer centric

82%

There is a C-level steward for customer outcomes who is held accountable for the delivery of exceptional customer experiences

56%

We invest software development resources in initiatives most critical to creating differentiated customer experiences

54%

Base: 100 manager+ customer experience decision-makers in US companies with 500-plus employees

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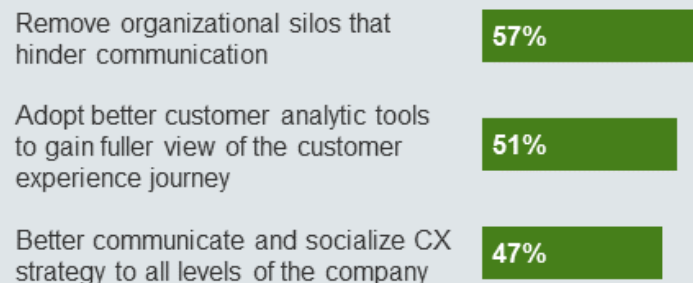
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Knocking Down Organizational Silos And Introducing Better Analytic Tools Is Key To Reaping The Business Benefits Of CX

In order to succeed in the effort to improve customer satisfaction, companies must encourage a culture of collaboration and communication. Leveraging data across silos, pooling funding, and being generally open to sharing are just some of the ways that organizations can successfully implement their grand CX strategies and go from claiming to be customer centric to actually being customer centric.

Which of the following would be most helpful in improving your ability to implement against your CX strategy?



Base: 100 manager+ customer experience decision-makers in US companies with 500-plus employees
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What business benefits do you expect to gain from implementing your CX strategy?



Base: 100 manager+ customer experience decision-makers in US companies with 500-plus employees
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The imperative to be customer obsessed has clearly resonated with companies, but actually redesigning the business with an eye to customer experience goals remains problematic for most. Though many agree with the need to be customer centric, they are still hindered by misaligned priorities and organizational silos, a lack of shared data and advanced tools, and the absence of clear leadership for the initiatives. If companies hope to succeed in the age of the customer, then they must begin to close these gaps in communication, organization, and leadership in order to prioritize creating a more satisfied customer.

METHODOLOGY

- › This Technology Adoption Profile was commissioned by IBM.
- › To create this profile, Forrester conducted a custom survey of 100 professionals responsible for decisions regarding customer experience from US companies. Respondents came from B2B and B2C industries and were in marketing, customer experience, or executive management roles.
- › The custom study was completed in September 2016. For more information on Forrester's data panel and Tech Industry Consulting services, visit forrester.com.

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