FORRESTER

Great CX Cuts Cost And Drives Business Results

End-To-End CX Solutions Break Down Silos And
Optimize Data Management

Get started $\longrightarrow$

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Leveraging CX Data Is Key To Success

Customers hold companies to increasingly high standards for personalization across all channels and touchpoints. To compete and win in a modern landscape, companies must have a strategy to deliver exceptional customer experience (CX). The key is in how companies are able to manage and leverage their most valuable asset — their data. Despite how critical this is, a truly seamless customer experience can be difficult to execute across an organization with siloed systems. Companies must implement critical elements including journey mapping and orchestration that deliver actionable analytics to provide a seamless and personalized customer experience across channels. An end-to-end managed services solution can address these key challenges to provide a seamless customer journey.

Key Findings

Customers have increased demands. But despite more data and CX budget, companies still struggle with personalization and omnichannel interactions.

Poor CX negatively impacts the bottom line, yet companies let internal silos stand in the way of their success.

End-to-end CX solutions can address key challenges head-on by offering personalization capabilities and a seamless CX journey.

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Failure To Meet CX Demands Has Direct Impact On Bottom Line

Business leaders agree (62%) that more customers are making purchase decisions based on customer experience than two years ago, coupled with increased demand for quicker response times (53%), leaving less time to meet heightened expectations. Increased expectations from customers include demand for more personalization (59%) and connected online and offline experiences (55%) while holding companies to cross-industry CX standards (44%) rather than direct competitors alone. Companies delivering a poor customer experience have seen a negative impact on the bottom line, which has resulted in lost customers/sales. With so much at stake, companies can't afford to come up short on customer experience demands.

Top Drivers Fueling Customer Experience Investments

We had low customer retention due to poor CX. — 41%

We have seen a decrease in sales as the result of poor CX. — 39%

We were losing business to competitors based on CX. — 37%

Our brand image has been hurt because of customer experience in the past. — 32%

Top Consequences Of Failing To Deliver A Positive Customer Experience

Decreased customer retention **(60%)**

Decreased sales **(57%)**

Loss of company revenue **(57%)**

Poor brand image **(50%)**

Despite More Data And Resources, Personalization Struggle Persists

Because a poor CX can have such a negative impact, companies attempt to protect their bottom lines by increasing CX budget (70%) and adding CX tools and resources (63%). In fact, 81% of decision makers agree their companies have increased their focus on creating a more cohesive customer journey. Their issue is not a lack of data. Most leaders (85%) agree they have more data on customers than they had two years ago. But have increased resources helped to harness the power of this data?

Despite the wealth of data, only 51% can use it to personalize interactions, and only 46% are able to orchestrate interactions in real time.

The majority...

85%
Have more data on their customers than two years ago.

81%
Have increased focus on creating a more cohesive customer journey.

But only...

51%
Can customize interactions with customers based on their specific profile.

46%
Can orchestrate interactions in real time.

Internal Silos Stand In The Way Of Good CX

Why are companies still struggling to deliver a positive CX despite increases in data and resources? Decision makers say their top challenges to delivering a good CX are internal struggles: the lack of a cohesive strategy across teams (48%) and silos of various CX operations and functions across the organization (38%). Even though their budgets have increased, they have poured that money into silos, further exacerbating their issues. Only 66% say their companies have created cross-functional teams to address CX, and half (57%) have spread CX budgets across departments to create a more integrated CX plan. This leaves many still battling organizational silos that stand in their own way of ultimately orchestrating seamless, personalized experiences.

Top Three Challenges When Attempting To Deliver Good CX

48% Strategy not cohesive across teams/departments

38% Silos of CX budget within the org

38% Moving data to new systems while relying on legacy systems

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Real-Time, Personalized Interactions Are Top Challenges

The increased expectations of consumers have left many companies scrambling to improve their strategies, systems, and processes to meet these demands. Beyond internal silos, companies are struggling to derive insights and respond to customers in real time, which they know will result in personalized and cohesive omnichannel experience outputs. Unfortunately, these top struggles are what customers desire the most. Leaders agree that customers have an increased demand for personalization (59%), quicker response times (53%), and omnichannel interactions (43%), which align with the top challenges they face.

Most Challenging CX Tasks

56%
Deriving insights in real time

51%
Personalizing customer experiences

51%
Translating data into a consistent format

44%
Responding in real time to customer needs

43%
Creating omnichannel experiences

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End-To-End CX Solutions Address Customer Expectations Head-On

Despite these challenges, an end-to-end CX solution protects the bottom line and improves CX by addressing personalized, real-time communication challenges head-on. Companies focused on customer obsession are using journey analytics (actionable insights) and orchestration to become customer-led, insights-driven, fast, and connected. By using data to look at high-level journeys and to zoom in on microjourneys and the defining moments within them, journey analytics helps companies isolate, quantify, model, and track opportunities to improve CX, operational efficiency, and business results. Journey analytics stitches together data horizontally, across silos, to provide an integrated view of the customer and orchestration enables companies to test a wide variety of journey hypotheses in near-real time to determine which combinations of interactions will yield the desired business results.

Outcomes Of An End-To-End CX Services Solution

57%
Improved overall customer experience

49%
Personalized customer experiences

44%
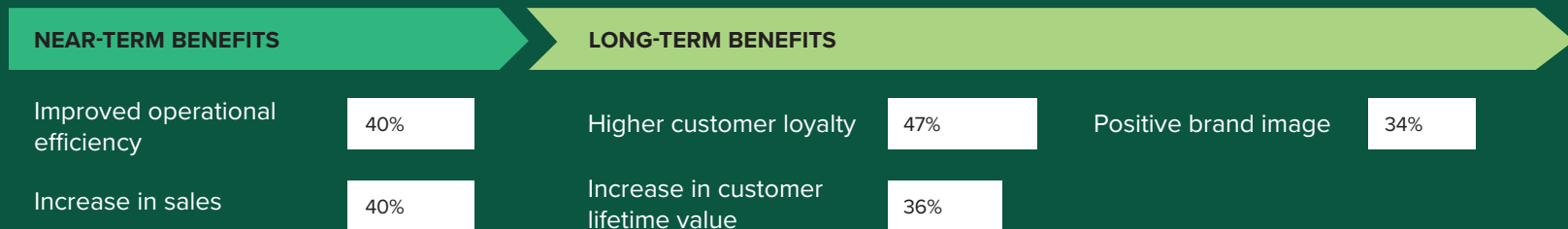Ability to respond in real time

42%
Real-time insights

42%
Improved journey mapping and orchestration

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Companies Realize Near- And Long-Term Benefits Of An End-To-End CX Solution

An end-to-end CX solution offers near-term benefits like improved operational efficiency and an increase in sales while supporting long-term goals like increasing customer loyalty and lifetime value. A fully integrated solution helps scrutinize customer behavior in near-real time so you can cocreate journeys as they happen. By combining quantitative and qualitative data, journey analytics orchestrates transitions across actions, channels, and events to maximize customer lifetime value. Traditional function-based organizations can have clear accountability but produce conflicting customer experiences. By creating a shared data lexicon, journey analytics reveal the full journey — including skipped steps, channel hops, and drop-offs — to help your team meet customer and orchestration needs.

Most Valuable Business Benefits Of An End-To-End CX Services Solution

NEAR-TERM BENEFITS		LONG-TERM BENEFITS			
Improved operational efficiency	40%	Higher customer loyalty	47%	Positive brand image	34%
Increase in sales	40%	Increase in customer lifetime value	36%		

Conclusion

Given the large impacts that a poor CX can have on a bottom line, companies must seek the most efficient ways to improve CX. We found that:

- More customers are making purchase decisions based on CX and hold firms to higher standards for personalization. Despite a wealth of data, only half of companies can use it to personalize or orchestrate interactions in real time.

- Internal silos negatively impact strategy, budget, data management, operations, and ultimately the bottom line. Even though CX budgets have increased, only 66% of companies have created cross-functional teams to address CX.

- End-to-end CX solutions address the most challenging CX tasks by connecting data and breaking down internal silos. These solutions provide an improved overall CX, personalized experiences, and real-time capabilities to fulfill consumer expectations.

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Methodology

This Opportunity Snapshot was commissioned by CSG. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 314 director level and up marketing and customer experience professionals at global organizations with $500M+ in annual revenue. The custom survey was completed in November 2019.

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Demographics

GEOGRAPHY

United States: 33%

APAC: 17%

Africa/Middle East: 17%

LATAM: 17%

EU: 16%

TOP 4 INDUSTRIES

Telecomm: 18%

Media/entertainment: 18%

Tech/tech services: 18%

Healthcare/Pharma: 17%

RESPONDENT LEVEL

Director: 62%

Vice President: 30%

C-level Executive: 8%

COMPANY REVENUE

$500M to $999M: 31%

$1B to $2.49B: 34%

$2.5 to $4.9B: 26%

Over $5B: 9%