

FOR: Customer
Experience
Professionals



The State Of Customer Experience, 2012

by Megan Burns , April 24, 2012

KEY TAKEAWAYS

Companies Have Lofty Customer Experience Goals

More than 90% of respondents to our Q4 2011 Global Customer Experience Peer Research Panel Online Survey said that customer experience is a top strategic priority for their companies. For 75%, the goal is to differentiate on the basis of customer experience.

Online And Mobile Channels Are Where It's At This Year

When asked where they plan to focus this year, 77% of respondents chose improving the online experience as a key objective. Just more than 60% plan to add or enhance mobile experiences. These efforts won't likely be done in isolation, though — three-quarters of respondents also indicated their intent to improve the cross-channel experience in 2012.

Companies Lack The Maturity They Need To Drive Lasting Improvement

We asked respondents to describe the extent to which their companies perform the 40 practices in our customer experience maturity framework. The most popular answer by far was “we do this sporadically or inconsistently.” And we found that several tasks were totally missing in a large number of firms.

Customer Experience Professionals Are Working To Build A Strong Foundation

Only about half of the respondents in our survey said that their firms have a centralized customer experience team, and those teams tend to be fewer than 10 people. Customer experience pros expect to hang on to their funding in 2012 and use it to shore up customer experience measurement, voice of the customer, and employee training programs.



The State Of Customer Experience, 2012

Landscape: The Experience-Driven Organization Playbook

by [Megan Burns](#)

with Jennifer Peterson

WHY READ THIS REPORT

Because customer experience is a fairly new business discipline, many customer experience professionals aren't sure what to focus on, how to structure their programs, or how the challenges they face compare with what others are dealing with. This report is designed to give customer experience pros a landscape of the practice against which to compare their own efforts and discover how to build an experience-driven organization. If that comparison shows gaps, the data can also help practitioners make the case for added investment to keep up with what others in the marketplace are doing.

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Forrester surveyed 86 customer experience practitioners from global companies about the state of their customer experience programs in 2012.

Related Research Documents

[Customer Experience Maturity, Defined](#)
June 14, 2012

[The Business Impact Of Customer Experience, 2012](#)
March 26, 2012

[The Customer Experience Index, 2012](#)
January 23, 2012

MANY FIRMS ARE BETTING THE FUTURE ON CUSTOMER EXPERIENCE

Each year, Forrester surveys customer experience professionals to see what's going on inside real-world customer experience programs. This year, 86 respondents completed our survey, telling us about their goals, plans, staff, budget, and obstacles for 2012. The first thing we asked them was how customer experience fits into their company's overall strategy. They said that:

- **Customer experience is at or near the top of the priority list.** Of the respondents who took our survey, 93% said that customer experience is among their companies' strategic priorities (see Figure 1). For 28%, customer experience isn't just on the list, it's at the top.
- **Executives want to use customer experience to differentiate.** Just more than three-quarters of respondents told us that executives aim to differentiate on the basis of customer experience (see Figure 2). Sixty-four percent said that leadership aims to differentiate against competitors, while 11% said that they aim to differentiate against companies in any industry.

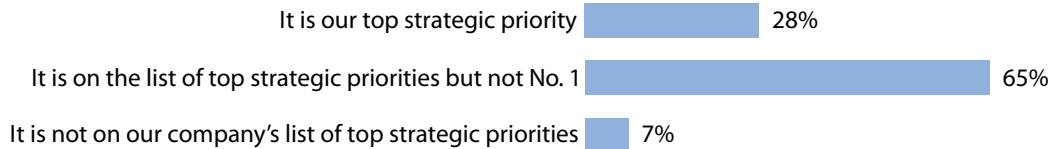
Efforts To Reach Customer Experience Goals Continue In 2012

When asked which parts of their customer experiences they hope to improve in 2012, respondents told us that:

- **Digital touchpoints are hot, hot, hot.** For the third year in a row, improving the online customer experience was the most common objective at 77% (see Figure 3). Mobile experiences are also a hotbed of activity, as 61% of respondents expect their organizations to add or improve them in 2012.
- **Cross-channel experiences are also top of mind.** Almost three-quarters of respondents said that their firms also hope to improve the cross-channel customer experience in 2012, which suggests that improvements in digital touchpoints are likely part of larger, more comprehensive initiatives.
- **Phone experiences may be getting left behind.** Despite the number of customers who still call companies to get help (often after bad digital experiences), only 43% of respondents said that they plan to improve the agent experience in 2012. Even fewer — just 22% — said that they plan to improve the automated portion of the call center experience this year.

Figure 1 Customer Experience Is A Top Strategic Priority

“To what degree will improving customer experience be a top strategic priority for your company in 2012?”



Base: 86 customer experience professionals

Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 2 Three-Quarters Of Respondents Hope To Use Customer Experience As A Differentiator

“How would you describe your executive team’s goal for customer experience?”



75% of respondents said their executives aim to differentiate on the basis of customer experience.

Base: 84 customer experience professionals who know about their executive team's goal for customer experience (percentages do not total 100 because of rounding)

Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 3 Online Experiences Top The List Of Customer Experience Priorities In 2012



Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

COMPANIES LACK NEEDED LEVELS OF CUSTOMER EXPERIENCE MATURITY

Despite strong customer experience aspirations, respondents cite significant obstacles, including lack of a clear strategy and challenges getting different teams to work together (see Figure 4). To delve deeper into why these problems arise, we asked practitioners to describe the extent to which their firms perform 25 of the 40 practices in Forrester's customer experience maturity framework. These practices help customer experience professionals move beyond finding and fixing acute problems and transform their companies into organizations that can sustain customer experience excellence by managing customer experience in a disciplined way. They told us that:¹

- **Many important activities are missing.** Nine of the practices we asked about were deemed "missing" by at least one-quarter of the firms in our study, significantly hindering these firms' ability to deliver a great customer experience (see Figure 5). For example, the 33% of firms that don't model the relationship between experience quality and business metrics can't make good strategy decisions because they don't know how customer experience affects business. Likewise, the 33% of firms that haven't defined customer experience metrics for each unique job function make it harder for even well-meaning employees to tell if they're doing the right thing.

- **Inconsistency is everywhere.** By far, the most popular response to the practices in our survey was, “We do that inconsistently” (see Figure 6). This suggests that even when companies know what it takes to deliver great customer experience, they haven’t made it an enterprisewide habit. As a result, even when pockets of customer experience excellence exist, they are likely undermined by poor experience practices elsewhere in the business.
- **Customer experience leaders may underestimate how much employees know.** Only 22% of respondents said that they consistently share customer insights with employees at all levels of the company. That’s surprising given that only 28% of respondents felt that a lack of customer understanding was a significant obstacle to improving customer experience. Customer experience pros, who see data all of the time, may not realize just how little of what they know trickles down to employees in other parts of the business — and how that knowledge gap may affect the decisions key employees make.

Figure 4 Obstacles To Customer Experience Success For 2012



Base: 86 customer experience professionals
(multiple responses accepted)

Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 5 Customer Experience Maturity Practices Missing From 25% Or More Of Respondent Firms



Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 6 Results Of Forrester's Customer Experience Maturity Survey 2012

"To what extent does your company do the following practices?"

	We do this consistently	We do this sporadically or inconsistently	We don't do this at all	Don't know
Measurement				
Measure how customers perceive their interactions with our company	50%	42%	7%	1%
Track what happens during customer interactions (e.g., call transfers, web page views)	44%	38%	15%	2%
Use a consistent framework for measuring customer experience quality across channels	24%	45%	30%	0%
Compare customer experience metrics across organizational boundaries	22%	56%	22%	0%
Model the influence of customer experience metrics on our business outcomes	14%	49%	33%	5%
Share customer experience metrics and models with all employees	22%	47%	30%	1%
Governance				
Maintain a dedicated queue of customer experience improvement projects	34%	48%	15%	3%
Review customer experience program status and metrics in regular staff meetings	34%	44%	20%	2%
Respond to individual customer feedback about an experience	53%	40%	6%	1%
Consider the impact on customer experience as a criterion for making business decisions	43%	43%	14%	0%
Use job-specific customer experience metrics for evaluating employee performance	19%	45%	33%	3%
Strategy				
Share our customer experience strategy with all employees	19%	58%	22%	1%
Use alignment with our customer experience strategy as a criterion for evaluating project funding and prioritization decisions	14%	53%	27%	6%

Base: 86 customer experience professionals
(percentages may not total 100 because of rounding)

Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 6 Results Of Forrester's Customer Experience Maturity Survey 2012 (Cont.)

"To what extent does your company do the following practices?"

	We do this consistently	We do this sporadically or inconsistently	We don't do this at all	Don't know
Design				
Follow a defined customer experience design process for all new or revised experiences	17%	55%	26%	2%
Use customer research as input to customer experience design projects	41%	50%	9%	0%
Engage customers, partners, and employees throughout the experience design process (not just for testing)	24%	60%	15%	0%
Use prototyping and frequent iteration in the experience design (and redesign) process	31%	48%	19%	2%
Proactively adjust the design of the customer experience when we change things that affect it (e.g., a policy, business process, product, or technology system)	19%	57%	17%	7%
Culture				
Communicate the importance of customer experience to employees and other stakeholders	52%	43%	5%	0%
Collect and share stories of customer experience best practices across the employee base	28%	60%	12%	0%
Screen candidates for customer-centric values as part of the hiring process	27%	40%	23%	10%
Screen candidates for specific skills needed to deliver on the customer experience strategy as part of the hiring process	20%	45%	24%	10%
Provide training to employees to ensure delivery of the organization's customer experience strategy	23%	45%	26%	6%
Use informal rewards and celebrations to highlight exemplary customer-centric behavior	22%	49%	27%	2%
Connect formal reward structures (e.g., bonuses, promotions) to performance on customer experience metrics	19%	40%	41%	1%

Base: 86 customer experience professionals
(percentages may not total 100 because of rounding)

Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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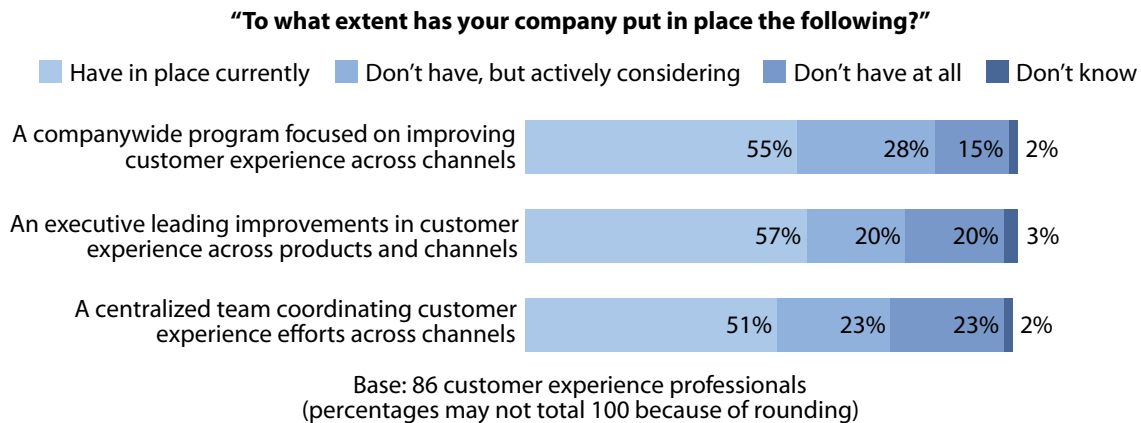
Source: Forrester Research, Inc.

CHANGE AGENTS ARE WORKING WITH LIMITED RESOURCES

The data from our maturity assessment confirmed what we see and hear from clients anecdotally — that the current state of customer experience management in most companies is ad hoc at best. To understand how serious companies are about improving their customer experiences, we asked customer experience professionals to tell us about their customer experience teams and budgets for 2012. We found that:

- **More than half of respondents have someone leading the customer experience charge.** Fifty-five percent of survey takers said that their firms have a companywide customer experience improvement program (see Figure 7). Fifty-seven percent said that they have an executive in charge of improving customer experience across touchpoints.² And just more than half said that their organization has a centralized customer experience team.
- **Transformation teams are small but growing.** Of the 45 respondents whose companies have a centralized customer experience team, most said that those teams have 10 or fewer full-time equivalents (see Figure 8). Fourteen of those 45 respondents expected their teams to grow at least slightly in 2012.
- **Funding looks stable for 2012.** While some customer experience professionals didn't know what 2012 budgets would look like when our survey ran, those who did had good news. Forty-three percent expected investment levels to go up relative to 2011, and more than one-third expected the level of investment in customer experience to stay the same in the coming year (see Figure 9).
- **Customer experience pros depend on others for the money they get.** Despite the stability of customer experience investments, only 37% of respondents said that their company had a dedicated budget for customer experience (see Figure 10). How is that possible? Typically firms without a dedicated customer experience budget ask functional groups to contribute money for customer experience work on a project-by-project basis. This arrangement may cast a shadow over funding predictions if those who control the purse strings decide to shift focus.

Figure 7 Who's In Charge Of Customer Experience Efforts?

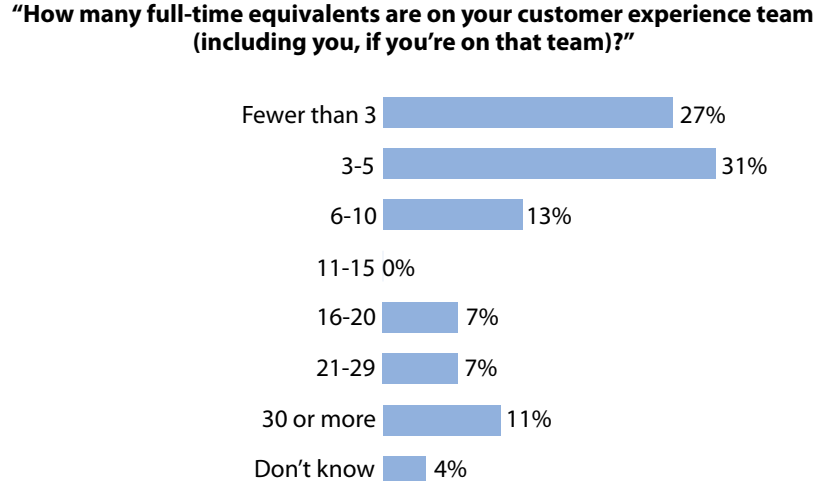


Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 8 Customer Experience Team Sizes Run Small



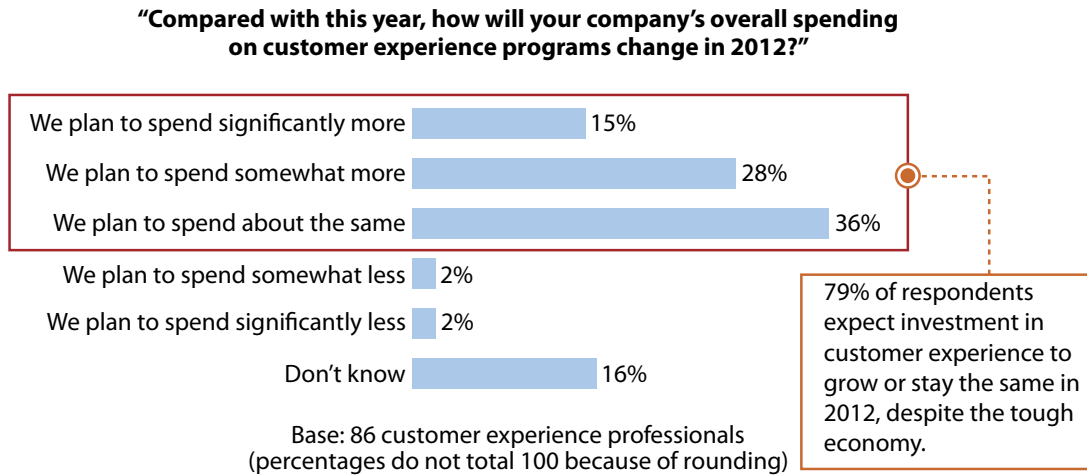
Base: 45 customer experience professionals whose companies have a centralized customer experience team

Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 9 How Respondents Expect Customer Experience Spending To Change In 2012



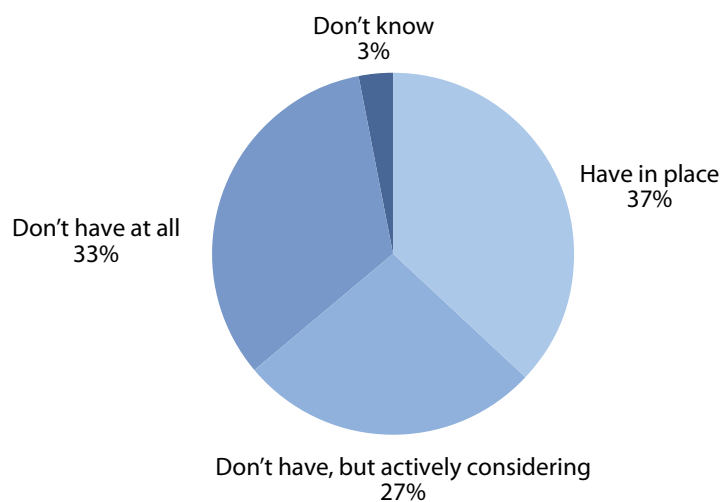
Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 10 Pervasiveness Of Dedicated Customer Experience Budgets

"To what extent has your company put in place a dedicated budget for customer experience improvement efforts?"



Base: 86 customer experience professionals

Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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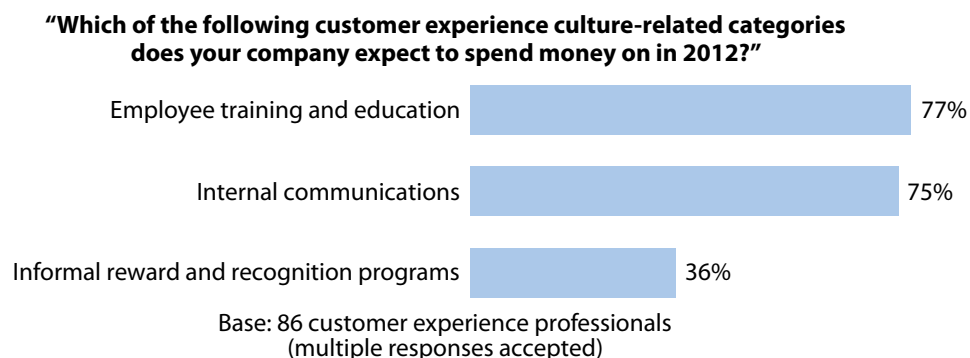
Source: Forrester Research, Inc.

CX Professionals Are Using Resources To Build A Strong CX Foundation

How are customer experience professionals planning to spend their 2012 funding? Respondents to our survey told us that they plan to:

- **Spread the word about customer experience to employees.** When asked about the ways they plan to create customer-centric culture in 2012, three-quarters of respondents said that they plan to fund internal communications about customer experience. And 77% said that they plan to go beyond communications to deliver employee education and training around customer experience this year (see Figure 11).
- **Solidify measurement and voice of the customer capabilities.** Measurement and voice of the customer programs topped the list of customer experience programs in the budget for 2012 (see Figure 12). Technology spending plans mirror those priorities — top vote getters include tools to help bring data together such as customer relationship management (CRM) and data integration as well as tools to help gather more customer experience data like enterprise feedback management, web analytics, and social media monitoring platforms (see Figure 13).
- **Beef up customer experience expertise.** Good news for customer experience professionals in the job market — 41% of the respondents to our survey plan to add internal customer experience headcount to their payrolls in 2012 (see Figure 14). Thirty percent plan to augment internal staff by hiring outside customer experience consultants, and another 29% expect to spend some money on help from experience design agencies.

Figure 11 2012 Customer Experience Spending Plans For Culture Building Activities

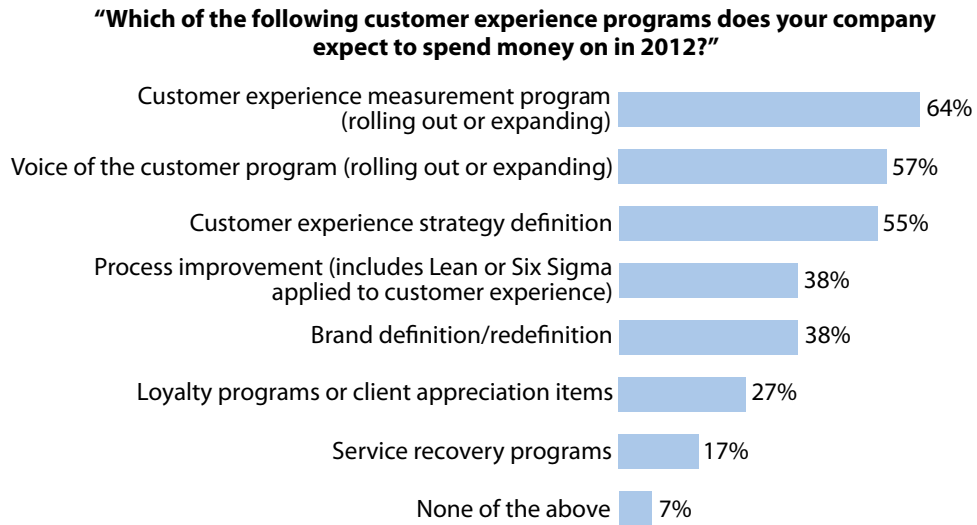


Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 12 2012 Customer Experience Spending Plans — Major Programs



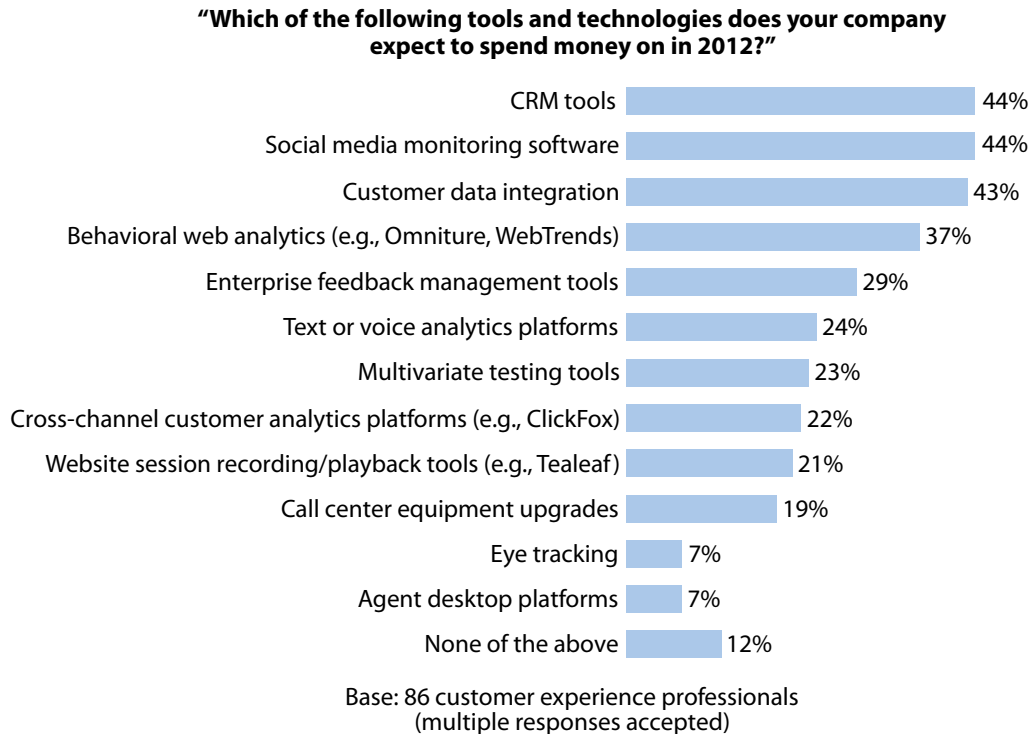
Base: 86 customer experience professionals
(multiple responses accepted)

Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 13 2012 Customer Experience Spending Plans For Tools And Technology

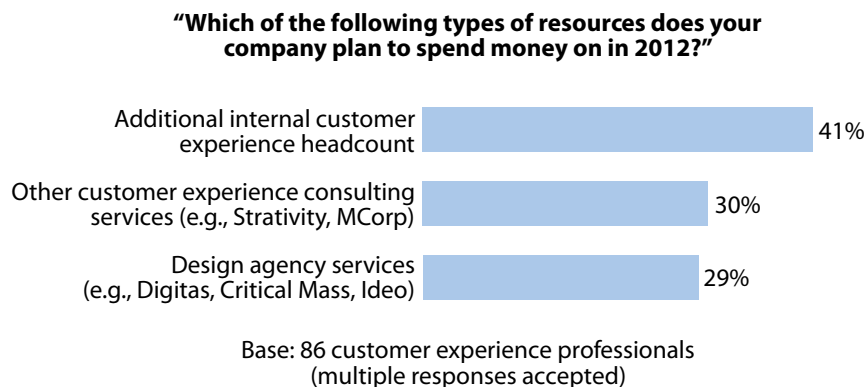


Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

Figure 14 2012 Customer Experience Spending Plans For Headcount And Professional Services



Source: Q4 2011 Global Customer Experience Peer Research Panel Online Survey

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Source: Forrester Research, Inc.

RECOMMENDATIONS

MATCH YOUR CUSTOMER EXPERIENCE PROGRAM TO YOUR BUSINESS NEEDS

While it's interesting to hear what other companies are doing, customer experience (CX) professionals shouldn't just blindly follow the pack. Instead, they should:

- **Understand how CX affects their company's profitability.** CX professionals should use the measurement and customer understanding systems they're putting in place to model the unique affect CX has on key business metrics like cost of sales and service, loyalty, and revenues in their business. They should then use those models to define the level of experience quality needed to prevent customer defection and how much "wow" it would take to turn satisfied customers into truly loyal ones.
 - **Define the appropriate CX strategy.** Once they know how CX affects business, CX professionals should work with their executive teams to choose the strategy that best matches the reality of their firms' financial dynamics. Whether the goal is parity or differentiation, make sure that the CX strategy describes the intended experience in enough detail to guide employees at all levels to the right course of action.³
 - **Bring discipline to the art of CX management.** If organizations are going to execute on their CX strategies, they have to adopt practices that enable everyone to work together to consciously manage CX. CX professionals must lead the charge, first by educating others on what the critical CX practices are by using Forrester's CX maturity framework. Next, they should map the firm's CX ecosystem to help employees see where they fit into the broader CX delivery system.⁴ Finally, they should use the ecosystem map to help managers at all levels tailor customer insights, task design, standards, success metrics, and rewards to make them relevant and meaningful to employees based on their role in the ecosystem as a whole.
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SUPPLEMENTAL MATERIAL

Methodology

Forrester fielded its Q4 2011 Global Customer Experience Peer Research Panel Online Survey to 86 CX professional(s) from our ongoing Marketing & Strategy Research Panel. The panel consists of volunteers who join on the basis of interest and familiarity with specific marketing and strategy topics. For quality assurance, panelists are required to provide contact information and answer basic questions about their firms' revenue and budgets.

Forrester fielded the survey from November 2011 to January 2012. Respondent incentives included a copy of a report resulting from this data.

Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

ENDNOTES

- ¹ To keep the survey length in check, we opted not to ask about a few practices from the original maturity framework in this survey.
- ² This number may be higher because some of the executives are in charge of customer experience across touchpoints but within a single business unit, not across the entire enterprise.
- ³ A sound CX strategy doesn't leave room for doubt as to which type of experience your company intends to deliver because it specifies the target customers, describes the desired emotional response, and tests for unique value. For more details on what goes into a sound customer experience strategy, see the October 25, 2011, "[Customer Experience Strategy Best Practices](#)" report.
- ⁴ Customer interactions are shaped by a complex set of interdependencies that Forrester calls the customer experience ecosystem. In order to make significant and long-lasting customer experience improvements, companies first need to fully understand the interdependencies within their own ecosystem. To do this, Forrester recommends a process called ecosystem mapping that can systematically uncover and document the ecosystem's hidden dynamics. See the August 15, 2011, "[Executive Q&A: Customer Experience Ecosystem Mapping](#)" report.

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« CARL ERICKSON, client persona representing Customer Experience Professionals

