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The Consumer Conversation

The experience void between
brands and their customers

in association with



ExperienceOne



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Executive Summary

Brands are not delivering the level of customer experience they imagine. Despite recent investment in infrastructure and solutions, there is a significant gap between what consumers want and what they're getting.

The stakes are high. Brands in every sector are trying to separate themselves from the competition through the value and quality of the experiences that surround their products and services. The goals are higher revenues, higher margins and longer retention. In a world where a better price is just a click away, customer experience is the only answer to commoditization.

Customer experience (CX) is every interaction between brands and individuals. If their sum is positive, a customer spends more, promotes the brand and may even pay a premium to remain in the relationship. Conversely, a negative overall experience means critical word of mouth and lower spending, if not an end to the relationship.

Digital marketing was founded on the principle of the right message to the right person at the right time. The push to optimize the customer experience takes it another step... by providing the right experience for the right person at a time that's right for them.

The industry is correct to think that the experience matters. But throughout The Consumer Conversation we find a gap between marketers intentions and their customers' satisfaction. While a majority of companies see themselves as leaders in CX (Figure 1), consumers tell a very different story.

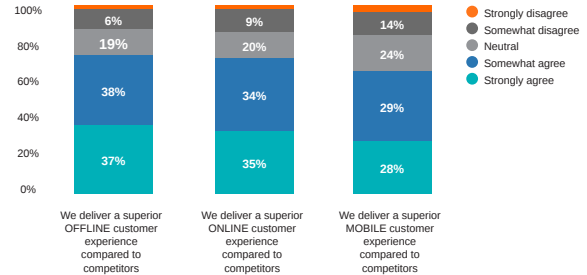
- Only one in three consumers believe that their favorite companies understand them.
- Of those consumers who switched consumer services in the last year, most did so for reasons companies should be able to predict and prevent.
- Of the nearly 50% of consumers with a significant service issue in the last 12 months, only 28% say that the company dealt with it very effectively.

A common theme throughout this research is that brands' belief in the strength of their customer experience doesn't line up with their customers' reality.

Consumers give a sober account of the quality of the retail and service relationships in their lives. They are willing to give their information to brands they trust, but they rightly believe that there should be significant value in that exchange. So far, they're not getting it.

This report looks at the areas where marketers can build that value.

Figure 1: Brands believe they're good at customer experience
Question: Do you agree or disagree with the following statements? N = 265



Foreword and Methodology

Consumers today have more power. They engage with brands across multiple channels and demand more relevant experiences along their journey. Brands struggle to keep up with consumers' ever increasing expectations by focusing on personalizing the customer experience.

However, we were curious. Are brands efforts to better engage with consumers achieving the desired results?

We set out to answer this question and partnered with Econsultancy to two parallel surveys. One focused on brands, and aimed at understanding

- If they value better engaging their customers
- what they are doing to better engage their customers
- how they feel they are doing, and
- where they are struggling.

The second survey would focus on consumers, and hearing directly from them about the experiences they are actually having, and how they respond to those experiences—good or bad.

The result is *The Consumer Conversation: The experience void between brands and their customers*, which reveals the gulf between brands' intentions and their customers' satisfaction. According to our report, there is indeed a gap, and it has real business impact. This research is important because it underscores the importance of being relevant while meeting customer expectations that are constantly changing.

The Consumer Conversation
The experience void between brands
and their customers

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The Business and Consumer Studies

This report is based on two parallel online surveys fielded in the first quarter of 2015. The sample was obtained through a verified third-party source, which uses incentives to encourage participation.

The first survey, focused on customer experience professionals such as marketers and commerce managers, was closed with 276 valid responses. The sample was limited to consumer companies in North America with at least \$100M in revenue, and most having revenues in excess of \$1 billion. All respondents were at

the "Manager" level or above. All companies in the study offer both online and offline channels to their customers.

The second survey explored consumer views, collecting more than 1,135 responses. While most demographic aspects reflect norms in the United States, some quotas were put in place to ensure sufficient response from select groups. For example, 40% of the sample reports a household income above \$100k. All respondents also had to cite at least one multi-channel retail relationship.

Both samples are further described in the Appendix at the end of this report.



About IBM ExperienceOne

IBM ExperienceOne helps you attract, delight and grow the loyalty of customers by enriching the ways you engage each of them.

IBM ExperienceOne provides a set of integrated customer engagement solutions that empower marketing, merchandising, commerce and customer service teams to identify the customers and moments that matter most, and to rapidly apply those insights to develop and deliver personally rewarding brand experiences.

IBM ExperienceOne ignites innovation by leveraging patterns of success from more than 8,000 client engagements, original industry research, and products consistently recognized as industry leaders in major analyst reports.

IBM ExperienceOne solutions are delivered in cloud, on premises, and in hybrid options.



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About Econsultancy

Econsultancy's research teams produce more than 60 reports per year in addition to hundreds of webinars, talks, events and articles.

We are a publisher used by more 600,000 marketing professionals every month.

Our Digital Transformation teams work with businesses to remake themselves for a new world.

Every year we train more than 5,000 business people around the globe in digital marketing, business and strategy.

Econsultancy was founded in 1999 in London, with offices in EMEA, APAC and North America.



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1 The ROI of customer understanding

What is the potential for customer analytics and experience management? How can they affect the two most important moments in brands' relationships with their customers; when they first arrive and when they leave for good?

To explore these questions, consumers were asked whether they had changed providers in one of several service areas – banking, mobile, internet and satellite/cable, and if so, what sparked that decision.

These services are inherently sticky. To switch a service provider is not easy and yet nearly half of all respondents (49%) had done so in the twelve months prior to the study.

The vast majority of them remembered why they'd left, and were able to categorize the reason as either a failure to deliver by their previous provider or an attractive quality of the new provider.



From a marketer's point of view, there may be little distinction. In most cases a customer lost is one that should have been retained. The question is what motivates them to stay or go.

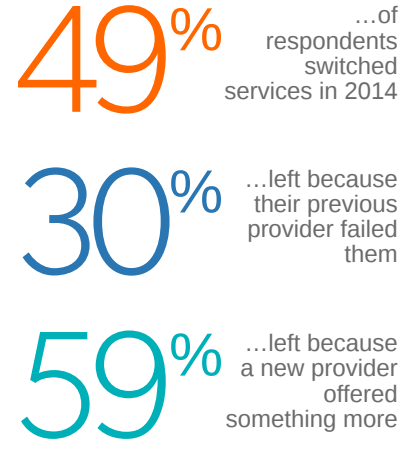
Obviously the best approach is to get in front of issues before they drive customers away, but the analytics should be focused on the customer satisfaction long before the relationship is about to break. A strong predictive capability lets brands identify those who may be vulnerable to competitor offers or need special attention to remain satisfied.

Analytics tells businesses what's important to customers and helps predict problems that are about to occur. The challenge is to turn that insight into action. The Customer Conversation points to issues with execution, as organizations struggle with the changes inherent in a customer-first approach.

Of the approximately one-third of consumers who switched providers because of a provider failure, more than half cited an event or characteristic that falls into the broad category of customer experience (Figure 3, next page).

These include issues with customer service, in-store experience, site and app quality, loyalty programs and communications.

Figure 2: Why customers left service providers in the last year
Consumer question: In the last year have you changed providers in any of the following areas? N = 1,010





1. The ROI of customer understanding

Why they left...

When consumers are drawn to a new provider, the product and the pricing naturally play a larger role. Still, nearly one-third cites reputation and other experience-related factors for their switch.

It should be noted that price and product are also parts of the customer experience. But, they are often strategically and organizationally distinct from the other activities within customer experience.

Few companies are in a position to maintain product superiority. Development cycles and investment can limit competitive advantage, especially for physical goods. Marketers can influence and enhance how products are used and perceived, but there are hard limits on what's possible in a given timeframe.

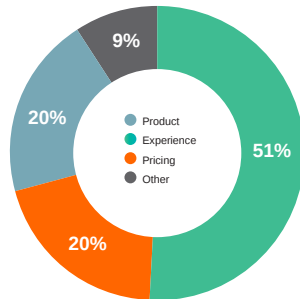
Similarly, price is a fundamental part of customer satisfaction, but simply dropping prices is not a long-term strategy for most brands. More advanced price theory and strategy in customer analytics and managed as part of the larger CX.

Takeaway

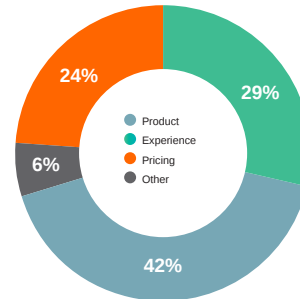
Most customers are lost for reasons we can control.

Figure 3: Experience a key driver of lost and newly acquired customers
Consumer questions: What did your new [vendor type chosen] offer that led you to switch?
Which of the following best describes what your old [vendor type chosen] did wrong? N = 473

30% said previous company failed them



59% say new company offered something better





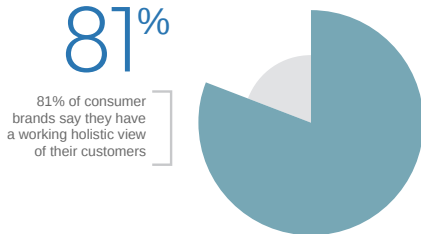
2 A holistic view?

Unified, holistic, singular...there are many terms for one seemingly simple idea; bringing customer information together to allow for efficient analysis and quick action.

To give marketers a more tangible target, they were asked whether their organization "has a view of individuals and segments across interactions and channels." With the challenges presented by legacy systems and fast breeding ad technologies, "his is a substantial goal."

Figure 4: Most believe they have a strong view of their customers

Brand question: Do you feel like your organization has a holistic view of your customers...do you have a view of individuals and segments across interactions and channels? N = 265



So, the answer was surprising, even given the large scale of respondent companies. 81% report having achieved a "holistic" view or being well on their way.

To gauge whether consumers feel any benefit in the increase in single customer view, we asked how well retailers were personalizing for them.

Retail was chosen because personalization in a retail setting is relatively easy to spot. In contrast, personalization from a service might be highly effective but largely invisible.

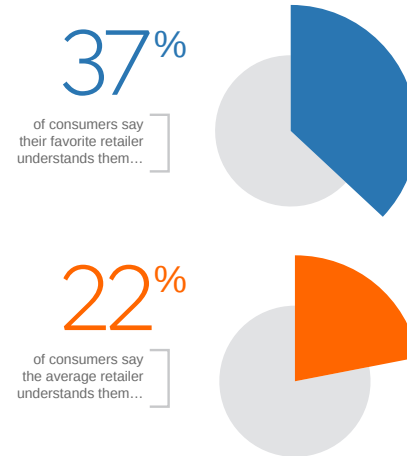
We also wanted to see how people viewed their preferred brands in contrast with the average. A "favorite" brand enjoys a special place that customer experience management hopes to reach – where price takes a back seat to loyalty.

In terms of the holistic view touted by marketers, most consumers don't see or feel it.

To the question of whether companies understand them, they reply a resounding "no" – only 22% report that average companies do a good job of personalizing their relationship. Interestingly, that number only rises to 37% when consumers describe their favorite companies.

Figure 5: Most consumers don't feel understood by brands

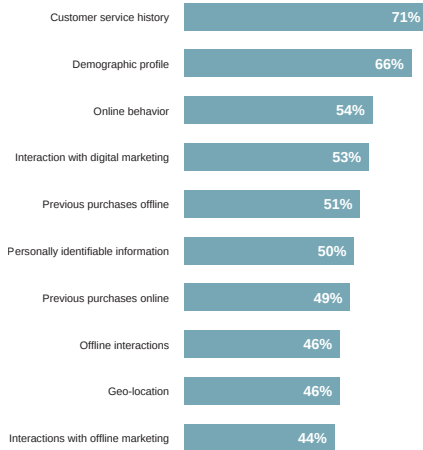
Consumer question: Thinking about your favorite retailer – do you feel that they personalize the shopping experience (products, deals and other information) for you as an individual? N = 587





2. A holistic view? ..continued

Figure 6: Components of a holistic customer view
Brand question:: What are the parts of your organization's view of the customer? N = 244



When marketers say they've achieved a holistic view, what do they mean?

Survey responses suggest a world that's rich in data, but short on standardization. No one facet of the holistic view is used by more than 71% of companies, yet all of the characteristics studied in Figure 6 have more than 40% penetration.

With the majority saying that they're nearing a complete customer view, or have already arrived, it's clear that there are as many internal definitions as there are data programs.

The question isn't whether every company has certain required data sources tied together, but what they can accomplish.

Having the raw information in a usable format is fundamental, but developing an array of data-dependent capabilities presents its own set of challenges.

Many of the "emerging" capabilities of digital marketing are on their way to become standard;

Personalization covers everything from custom email headings to dynamic site adaptation. Obviously, consumers aren't impressed by what they're getting today.

Real-time is another term with multiple definitions, but in the context of superior CX, it means the ability to process data quickly enough to match the user's stated and implied needs as soon as they arise.

Today many real-time marketing campaigns are simply sales offers delivered quickly, but the direction of the capability seems to be more sophisticated uses. For example, customer service that predicts what customers want before they want it, and delivers a solution instantly.

Location must work in tandem with real-time capabilities. Knowing someone is in a store isn't useful to the retailer without the ability to create a valuable experience in the moment.

Location is the most powerful variable to optimizing CX in many situations, but marketers have to offer good reasons to the customers to offer that information up.

If consumers had a positive view on personalization, customization and service from their vendors, the pieces and processes of the holistic customer view would be an afterthought.

As it is, brands have to understand what matters and what's missing.



2. A holistic view?

Multi-channel consumers

What should dictate a brand's approach to a customer? Will their age or income, location or past behavior be the most important variable in the moment? With so much information, marketers and their algorithms are continually challenged to understand people well enough to provide value.

Figure 7 highlights some of the audience splits important to marketers, the tables show both strong and subtle differences in how different types of consumers engage with their favorite retailer today, and gives hints to how the relationship will evolve.

With each spike and trough in usage a larger pattern takes form. Though digital and mobile shopping are increasingly a part of everyday life, offline channels remain important for most and dominant for many.

Even as individual personalization gains in importance, audience-level insight is vital. Brands may want to optimize the journey for every customer, but that doesn't mean abandoning their important segments.

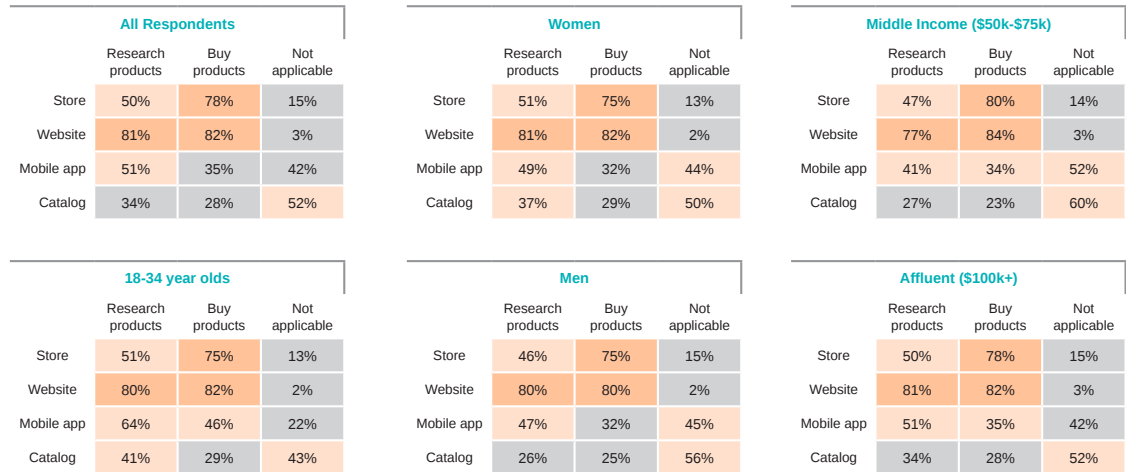
Take for example the young, heavy users of brands' mobile apps. They aren't the same as affluent desktop visitors or male catalog shoppers, and they shouldn't be treated that way.

Takeaway

Consumer dissatisfaction with their favorite brands' personalization shows us that marketers' approach to the customer is obsolete and incomplete.

Figure 7: How different audiences interact with their favorite retailers

Consumer question: What are the different ways you shop with your favorite retailer? N = 587





3 Average isn't good enough

How brands listen and talk to customers throughout their journey defines and directs the future. If an initial purchase is going to grow into ongoing interest, it depends on communication.

The first job in managing CX is to make the value of the relationship self-evident. But that's not always possible or easy, leaving communications to emphasize how the brand is useful, trustworthy and unique.

Overuse has diluted the meaning of "relevance." Many have moved to using "value" instead, pointing out that just because something is relevant doesn't mean it is worth something to the customer.

The distinction is worth keeping in mind when building strategy, but on a tactical level the goal for communications is always to be both relevant and valuable.

Nearly half of respondent brands see relevance as a strong suit, but as we'll see, consumers don't share this view.

Too often brands use a limited or self-serving definition of "relevance." They inundate prospects and customers with sales-heavy content in the guise of complimenting products they've bought or considered.



In some cases, a steady stream of product pitches may be exactly what the customer wants. But it's not the only path to relevance or value.

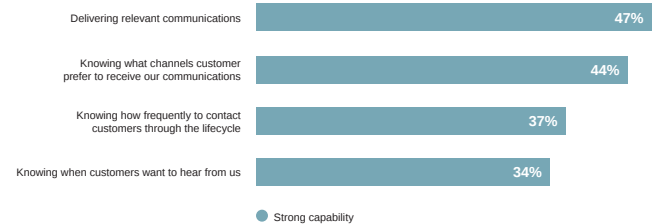
The ability to deliver content across channels and platforms raises the bar for how marketing and customer service can educate, entertain and engage.

Another common reason consumers are unimpressed by communications is that many marketers think of email as their only customer-centric channel.

But every platform presents its own possibilities and challenges for the conversation. From the consumer's perspective, messaging on a brand's desktop site, mobile app or in-store kiosk should be just as relevant as their email. Every individual has preferences, and it's the brand's job to satisfy them.

Figure 8: A gap in understanding leads to poor communication

Brand question: How would you rate the following capabilities at your organization? N = 260



● Strong capability



3. Average isn't good enough ..continued

In Figure 8 (previous page) we saw that marketers aren't confident in their capabilities across customer communications. Based on consumer responses, they're right to be critical.

When speaking about their favorite companies, those with which they readily share information and use most regularly, only 35% say that communications are usually relevant. That figure drops again, to 21%, for average companies they deal with.

Why isn't the industry doing better? Certainly for some organizations, the issue is technology, but that's not the case for most organizations with more than \$100m in revenue.



Consistency and priority may be the culprits. Few companies take even the most basic step of asking their customers what they want and provide them the tools to control preferences like channel, frequency, content and timing.

But offering direct choice can run counter to the optimal experience. Given a choice, a consumer may likely choose the minimum in messaging (and with relevance so poor, who can blame them?)

However, this isn't desirable if the goal is to create the most valuable relationship for the consumer and generate the highest returns for the company.

Fortunately, marketers can personalize the elements of communication by analysis, inference and experimentation...the same processes and priorities that will increase value.

Takeaway

Perception dictates the quality of customer experience. Relevance and value are central to any good CX.

Figure 9: Most brand communications irrelevant to their customers
Consumer question: In general, how relevant are the marketing messages you receive from your favorite [retailer or travel/hospitality]? N = 1,004

35% say "usually relevant" about their **favorite** companies

21% say "usually relevant" about **average** companies



4 Trust is familiarity plus experience

Trust is the essential ingredient in customer loyalty, but it isn't a direct function. It can't be won instantly with terms and conditions or brand spending. Trust is earned over time, usually in small ways.

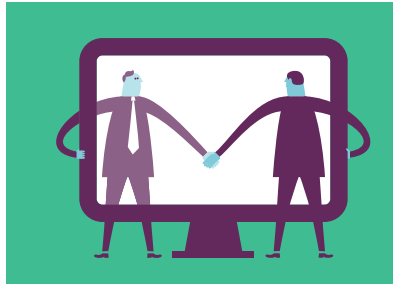
Without trust, the customer relationship is driven by short-term needs and is limited in scope and potential.

When asked to describe the "perfect" company, consumers identify trustworthiness with data/information to be the most important capability. But in reality, we can't know how well our data will be protected, and rarely make ourselves aware of how its handled and shared.

Trust is a reflection of the customer experience. The other top factors cited by consumers are where trust is built:

"Treat me well" – this phrase captures customer experience in a nutshell, and its rating frames the strategic priority of customer experience management. If the sum total of the many components of CX adds up to a positive number, customers will remain loyal.

"Best service when I have an issue" – as we'll see in Section Five, the customer relationship often comes down to a single moment in time. All brands work to avoid critical issues, but they have to handle them effectively when they arise. One of the most important calculations for those concerned with customer experience is how to invest in customer care.

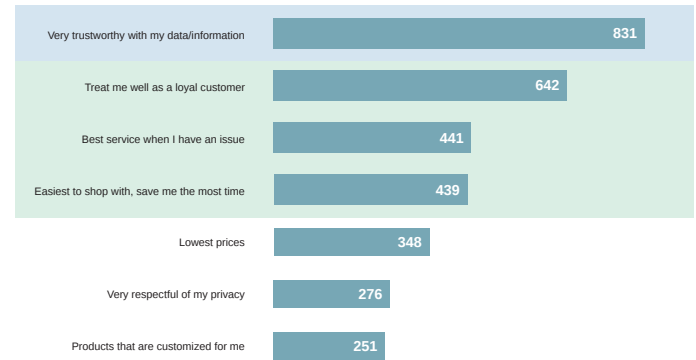


"Easiest to shop with" – price always matters, but in an era of instant price matching and near universal commoditization, consumers aren't as worried about paying too much as they used to be. Instead, they're concerned with wasting time.

Consumers' expectations for fast, easy- to understand interfaces online are also raising the bar for multi-channel and offline companies.

Figure 10: What matters most to consumers?

Consumer question: If you were building the perfect company to serve you, what would be most important? N = 618



Ranking question indexed to 1,000



4. Trust is familiarity plus experience

..continued

The importance of trust is evident in how and when consumers are comfortable sharing different types of information.

In Figure 11, see three dimensions. First, consumers identify what they're willing to share with all companies in an effort to get better service.

The six information types break into two groups: the precious and the shareable. The shareable information includes purchase intent, history with the brand and general demographics. Precious information is highly personal, including geo-data and PII. Roughly 75% of consumers are comfortable with any company having their shareable information, but less than 40% feel that way about their precious data.

Second, we see the difference that trust makes by the increase in study respondents' willingness to share their vital information with trusted companies. Comfort levels rise for all types, but the difference is most significant for precious information, geo-data nearly doubles to 72% and even personally identifiable information rises to over 60%.

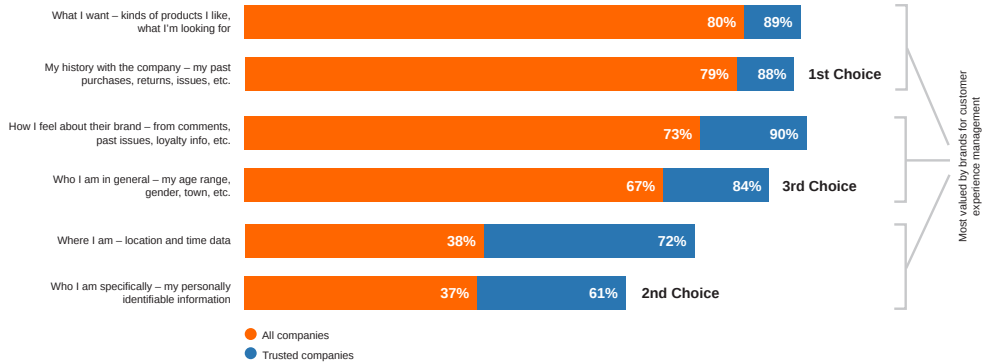
Finally, marketers identify what variables are most important in managing the customer experience. Of note, the 2nd ranked variable is personally identifiable information, where trust makes the most difference.

Figure 11: A valuable CX depends on trust

Consumer Question 1: How do you feel about companies having the following information? N = 618

Consumer Question 2: How do you feel about your favorite [retailer or travel/hospitality] company having the following information? N = 843

Brand Question: Which of the following types of information are most important for your customer experience management? N=263



Takeaway

To deliver value, marketers need information.
To get information, they have to be trusted.

5 CX for coveted customers

Every company has their “20%.” That small segment of customers that deliver an outsized share of revenue. Two in three marketers strongly agree that finding these high value consumers is vital to their growth.

For those concerned with optimizing CX, understanding who they are and how to serve them is a top priority.

Personalization is the goal at the customer level, but marketers also have to think more broadly about their key audiences and segments. For many, the daily reality is targeting and optimizing at this level.

The first step is to identify high value segments. This means determining not just who spent what, but also over what time period and at what retention rate. Other factors, like age, play into the calculation as well. For example, many brands value younger consumers who may become longtime customers.

With these high-value segments in mind, strategy should be built around expanding their numbers, increasing share of wallet and long-term retention.

Each of the groups identified in Figure 12 has its unique usage, research, buying and brand identity. The need for effective customer analysis is to power the customer experience for these audience slices.

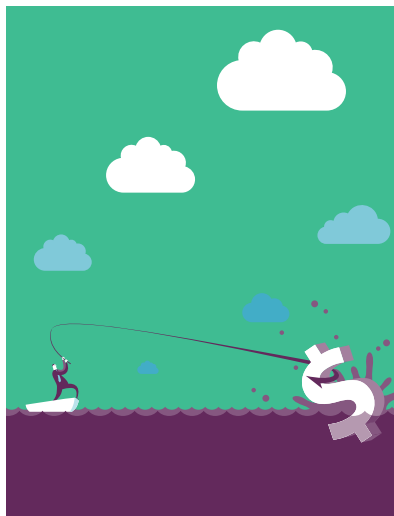
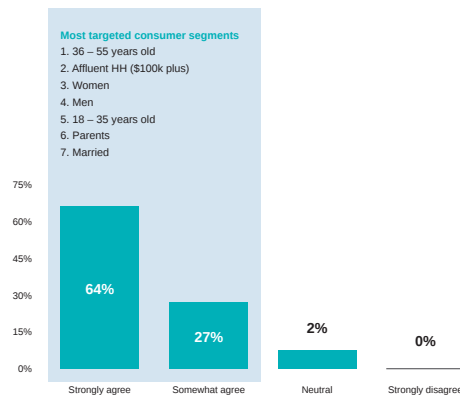


Figure 12: “Identifying high value customers is vital to our growth”?

Brand question: Do you agree or disagree with the following statements? N=257





5. CX for coveted customers

..continued

Figure 13 is a snapshot of just one narrow set of differences between two coveted segments (affluents and those under 36 years old).

These segments of particular interest because they appear to be the most aware and responsive to customer experience, and the most demanding.

Marketers that keep them happy, surprise them with service and ensure value are rewarded by above average retention and positive word of mouth with their high-value cohort.

But one size most definitely does not fit all. It's no surprise, for example, that the mobile customer experience matters deeply to younger consumers.

They are far more likely to buy with their mobile devices and to download the applications of favorite brands.

Affluent consumers, in contrast, are nearly 50% more likely to have bought as the result of an email. The differences abound, and they're meaningful for anyone trying to tailor the customer experience at the audience level.

Youth (18-34)

- More comfortable with taking control, choosing preferences
- More demanding for that control
- More comfortable sharing their data
- More demanding for benefits in sharing it
- More multi-channel in general
- Even more multi-channel with preferred brands

Affluent (\$100k plus)

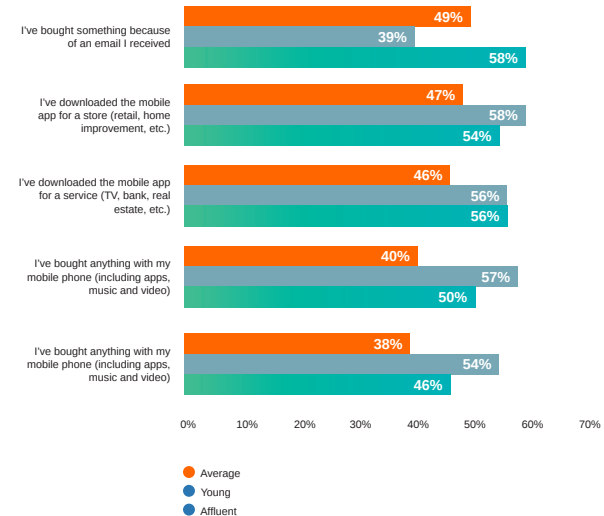
- More demanding of service
- More controlling of their information
- High expectations for favorite brands
- More disappointment in how they're treated
- More likely to leave because of a mistake
- Less likely to jump for a better price

Takeaway

Our most desirable audiences will demand the most of us.

Figure 13: Different habits demand a responsive CX

Consumer question: Do any of the following apply to you? N=1,034 (N=373 for ages 18-34) (N=301 for incomes over \$100k)



6 Managing the lowest point



Seventy-seven percent of respondent organizations are satisfied or very satisfied in their ability to predict problems in customer service.

An even larger share (89% in Figure 14) is somewhat or very satisfied with their ability to resolve the conflicts that arise.

How does that synch with the real lives of consumers?

Forty-two percent of consumers have had at least one significant conflict with a trusted company in the last year. How companies dealt with that issue has a profound effect on the nature of the relationship moving forward.

For the 28% of consumers who felt that the company dealt with their issue very effectively, there's a good chance that it's business as usual. 71% are still customers and nearly half shop at the same levels as they did prior to the conflict.

Those figures are a stark contrast with those for consumers who felt the brand did a poor job. Only 46% are still customers, and more dramatically a scant 13% shop at the same levels.

Figure 14: Brands think they're good at customer conflicts

How satisfied are you with your ability to resolve customer conflicts?

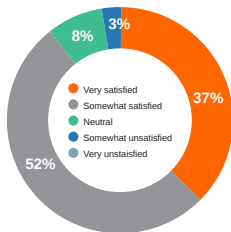
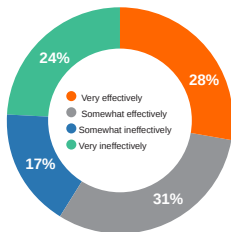


Figure 15: Consumers have mixed experiences

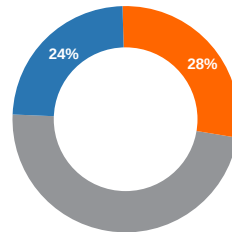
How effectively did [that company] deal with your issue?



Brand question: In the last year, have you had a [custom] conflict with a company you do business with? N = 1,004

Figure 16: How brands deal with issues dictates the future of the relationship

Consumer question: How effectively did [company type chosen] deal with your issue? N=424



Twenty-four percent were **very ineffective** in dealing with issue...

46% are still customers

13% shop at the same levels

98% shared their story

Twenty-eight percent were **very effective** in dealing with the issue...

71% are still customers

46% shop at the same levels

89% shared their story



6. Managing the lowest point

..continued

Of note, in both cases the vast majority reports that they shared their story. This highlights just how important these critical moments are for brands. The risk goes beyond losing an individual customer. Every incident that's handled poorly is a contagion that can be spread by word of mouth and social networks to every corner of a person's network.

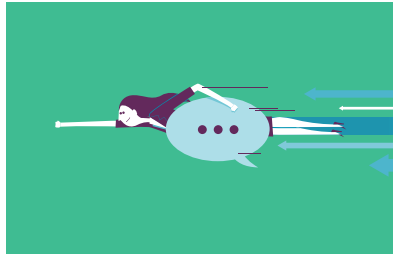
If issues are dealt with effectively, the reverse is true. Positive stories are told and retold, a powerful endorsement for the brand and the way it does business.

In Figure 17 we see that most companies collect at least some information from past service issues with the intention of analyzing and optimizing the process.

However, only a small percentage is truly engaging with those customers.

Among the slight majority that collect data across channels (51% in Figure 16), less than half create a separate segment of customers who have experienced a significant issue.

The goal after a customer service incident is to build trust and reduce attrition. That isn't accomplished by ignoring the problem.



After a failure, customers are at-risk, but brands have the capability to send highly personalized messaging to them. Smart companies engage with them honestly, acknowledging the issue while highlighting their responsiveness.

Keeping customers happy is more reliable and profitable than having to acquire new ones. Prioritizing and investing in post-crisis communications can have a clear and immediate impact on customer retention.

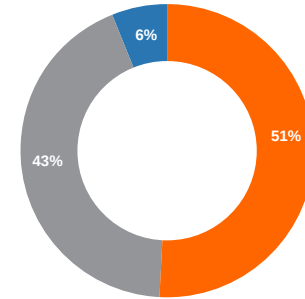
Takeaway

We need to understand and manage the most perilous parts of the customer journey.

Figure 17: Turning past issues into positives

What does your organization do with the information connecting customers with their past service issues?

- Yes - data is collected across channels for service inquiries
- To some extent - some channels/ some service inquiries
- No - we do not associate service issues with individuals



Brand question: Does your organization assemble information connecting customers with their past service issues? N=224

7 Mind the gap



The findings of this study hold mixed results for marketers. Overall, consumers are underwhelmed by brands' ability to personalize, customize and enhance the customer experience. We see this in how they review even their favorite retail and service companies.

On the other hand, consumers validate the strategic priority of customer analytics and CX management. They acknowledge the powerful role of experience in attracting their business and keeping it.

Marketers are on the right track. The vast majority of respondents (88% in Figure 18) agree that their organization's growth ultimately depends on personalization and better customer knowledge.



But it's clear that there's still a gap between what consumers expect and what brands deliver. The reasons for this range from human nature (we all tend to skew positive in self-assessments) to ineffective processes and insufficient technology.

Human nature isn't changing, but organizations can implement the means to evaluate and improve themselves. Some of the areas of weakness are highlighted in Figure 19.

The importance of *bridging the online/offline chasm* can't be overstated. The marketer's need to understand the rapidly changing digital landscape can obscure the role of offline media and outlets as the primary drivers of audience and revenue.

Only one in three organizations say that they're doing a good job of linking online and offline data today.

Customer relationships are increasingly real-time. It's the nature of a digitally driven process, even if the fulfillment happens offline. That's just one of the reasons that *technology is at the core of what modern marketers have to accomplish*. Yet when asked about key capabilities pivotal to providing great experiences, less than 40% are satisfied.

Figure 18: "Our growth depends on personalizing the customer's experience."

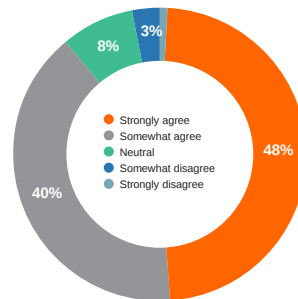


Figure 19: Most lack tools or capabilities necessary to strong personalization and CX



Brand question: Do you agree or disagree with the following statements? N=234

7. Mind the gap ..continued

Finally, and perhaps most important in the long run, is the inability at a majority of organizations (63% in Figure 19) to tie customer experience with revenue or cost savings.

Without this capability, the strategic priority of customer experience is in jeopardy. Further, its impact must ultimately be measured in a variety of ways that go beyond improvement in satisfaction ratings.

Brands that master the ability to connect CX with new revenue, increases in customer lifetime value, retention of high value clients and other hard metrics will find their initiatives funded and their careers headed up.

Looking ahead

If there's one lesson for those who want to drive their organization's customer experience forward, it's that many companies have taken too narrow a view.

It's not simply a matter of technology and the specific capabilities it can offer. Reorienting around the needs of the customer demands self-examination and investment in a number of critical areas.

Processes – customers don't think in terms of campaigns, and neither should companies that serve them. While the push and pull of campaign marketing isn't going to disappear, it's not in line with great customer experience.

To provide real value over time brands have to move from campaigns to programs. That means rethinking processes in marketing, customer service and product.

Partner Management – moving to “program thinking” affects a company's agencies and other partners. If they are managed and compensated in the traditional ways, their incentive is to spend in the short term, to acquire media and use it. The responsibility to change that dynamic falls to the brand, not the agency.

Structure – the implications of true customer-centricity go as far as the structure of the organization itself. Many brands are on the difficult path to digital transformation, which means making changes in how budgets and information flow. With the customer at the center, teams and even divisions have to reform. The goal is a flatter structure that can call on skills across the enterprise, and adapt as needed.

Strategy – to a consumer, a great experience has to be simple. It happens easily and in the flow of their lives. For the company making it happen, a great experience is the result of many moving parts and very sophisticated thinking.

Business leaders are charged with hitting hard targets. It can be easy to set strategy with the best of intentions only to return to the real world of quarter-to-quarter numbers.

Customer analytics and experience management are not soft and fuzzy. Throughout the consumer study are examples of how these capabilities have a real, measurable effect on customers, and therefore on revenue.

Many companies talk about “delighting” the customer. But the real goals of great CX are not so hard to define or achieve. They are tangible, from attracting high value customers to increasing their lifetime value and keeping them over the long term.

Champions of customer experience should set their sites on these important business measures, and use them to propel their initiatives and their careers.

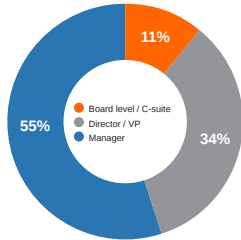
Takeaway

Consumers very much value how they're treated and the experiences that form their commercial relationships, but few companies are in a position to excel. To set themselves apart, brands need to rethink their approach from the tactical to the strategic and every step in between.

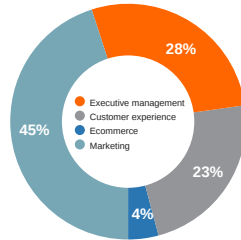


Appendix: Study Respondents

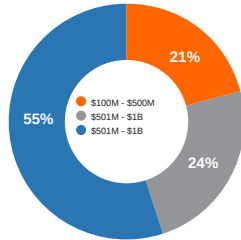
Brands
Which best describes your job role?
N=271



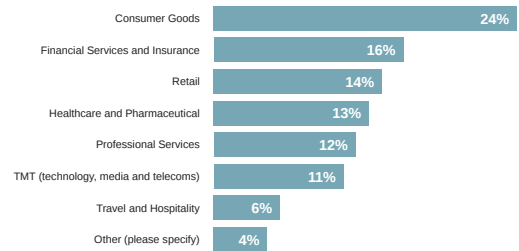
Which of the following best describes the department in which you work?
N=271



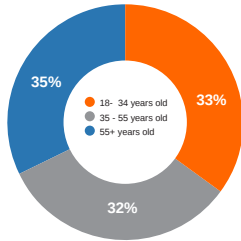
What was your company's annual revenue in 2014?
N=271



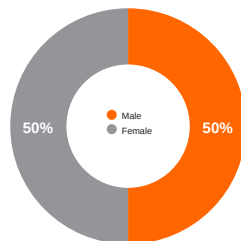
What is your company's primary industry?
N=271



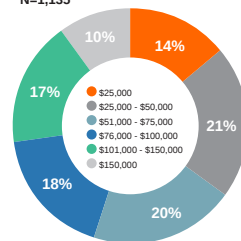
Consumers
What is your age?
N=1,135



What is your gender?
N=1,135



Which of the following best describes your household income?
N=1,135



Notes:

The Consumer Conversation
The experience void between brands
and their customers



