

Forbes  
**INSIGHTS**

# The Leading Edge Of Digital Customer Experience

IN ASSOCIATION WITH

**GLASSBOX**



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# Introduction

A new survey, conducted by Forbes Insights and Glassbox, reveals that digital customer experience (CX) is vital for business—and an important competitive differentiator.

This report explores this key finding in detail along with the following insights:

- Many organizations may overstate the sophistication and readiness of their digital CX capabilities. Others struggle with internal governance and coordination, constraining their ability to fully establish digital CX goals, ownership and results.
- Companies are seeing a positive correlation between improved digital CX and profitability.
- Most organizations are still grappling with the challenges of implementing and maintaining a long-term digital CX strategy.
- Nearly all respondents signaled they will spend more on both digital CX technology and personnel in the years to come.

Keep reading to learn more about the state of digital CX today.



# The Landscape Of Today's Leaders

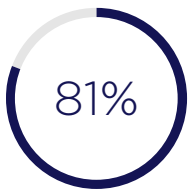
An overwhelming majority of executives are aware that great digital CX is a survival necessity and is joining traditional competitive axes like price and product as a significant differentiator.



84% of executives agree that excellence in digital CX is vital to business survival



Only 38% of respondents say they have completely defined goals and strategies for digital CX



81% agree that they increasingly compete on digital CX as much as on product or price



Only 36% have completely established clear ownership and delegated responsibility for digital CX performance

It also appears that a number of respondents have overestimated their own organizations' readiness to meet these challenges. Although it is perhaps unsurprising that executives should speak proudly of their employers' competitive postures, more than one-quarter of respondents described their own digital CX as either the best in their industry or (in six cases) the best in the world. All told, 71% rate their own organizations' digital CX as above average or better, and just 9% admit it may be below average.

These rosy assessments wither when respondents are asked for digital CX strategic details, however.

These results line up with expectations for a fast-evolving discipline with multiple degrees of complexity. Apart from focusing, correctly, on strategy and governance before going all-in on tech, how are leaders distinguishing themselves? And where else might organizations overestimating their digital CX readiness be going astray? Some clues can be found in their self-professed strengths and weaknesses in key digital CX competencies.

# Digital CX Strengths And Weaknesses, Revealed

Echoing the supermajority of respondents who say they recognize the large and growing significance of digital CX to the present and future of their business, 83% of respondents agree that they see positive correlation between improved digital CX and profitability.

Almost as many (77%) agreed that they can fully link digital CX investments to improved performance.

When they were asked for specifics, a pattern emerged. As a group, executives are notably more confident in the strength of their omnichannel operations (such as easily integrating insights gleaned from both in-person and digital transactions) than in the optimal design and analysis of a digital journey. Nearly half of respondents feel that the omnichannel transaction problem has been definitively solved, while just one-third are fully confident in their organizations' ability to trace an entire digital journey.

We can see how business leaders are working to close these gaps in the year to come: They intend to be more focused on a narrower range of drivers and metrics for digital CX success. For the past year, executives say digital CX has been

## How confident are you regarding the following aspects of digital CX?

% highly confident



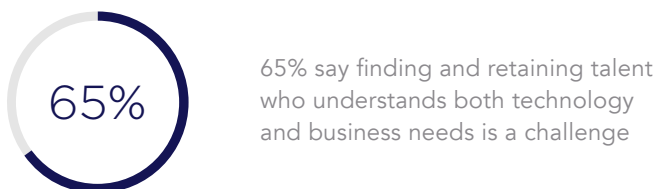


critical to success in roughly equal numbers across all six metrics offered, including revenue, lifetime value, customer acquisition cost and satisfaction.

When asked to rate the importance of those same factors for the year ahead, three of the six metrics clearly rose to the top: revenue, satisfaction and customer effort. Asim Zaheer, Glassbox chief marketing officer, pointed out that this shift could address some invisible inefficiencies in an organization's current experience. "Customers may not have challenges interacting with you, you may not notice a problem related to customer satisfaction, but you can still leave money on the table by not providing a seamless, smooth or fast experience," Zaheer said.

# Barriers To Success

Just as the majority of respondents are still working to find their full footing on digital CX strategy, most are still grappling with the challenges of implementing and maintaining a long-term digital CX strategy.



These long-term issues need to be addressed in order for digital CX to provide ongoing benefits. "Digital experience is not just about getting someone to switch to your business, but getting them to stay and keep coming back," Zaheer said.

When broken down by industry and recent annual revenue growth, some patterns emerge. Organizations with strong revenue growth (at least 20%) were less likely than others to report difficulty with talent acquisition. Respondents from insurance organizations were also less likely than peers in other industries to have digital CX hiring/retention challenges.

Insurance is the only industry where fewer than half of respondents agreed that standing out from competitors with digital CX is a challenge (the average across all industries was 71%). Those in banking and general financial services, on the other hand, were the most likely to agree that standing out from the competition with digital CX is a challenge. This may reflect differences in engagement frequency, as customers may engage with a bank or investment firm multiple times in a single day, while insurance by its nature is usually less transactional.

Most organizations (67%) also recognize significant problems troubleshooting their digital CX. Organizations with high revenue (above \$2 billion) as well as those with extremely high annual growth (above 30%) were the only groups substantially less likely to consider troubleshooting a challenge, suggesting that other organizations may struggle to find the budget to commit to the problem.

# The Way Forward

Aligning budget and organizational effort with digital CX goals is a clear priority for the majority of respondents.

Over three-quarters (77%) say that standing out from the competition in terms of digital CX has been more challenging since the pandemic started. The same number agree that digital disruptors outside their own industries raise customer expectations as well.

In response, nearly all respondents signaled that they will spend more on both digital CX technology and personnel in the years to come. About two-thirds (64%) said it was challenging to find the right mix of digital tools whereas just 16% said this was not a challenge. The two groups that were more confident than average were located at the tails of the survey group: those representing organizations under \$300 million in annual revenue and those representing organizations above \$2 billion in revenue. Those with higher year-over-year revenue growth also had greater confidence in their digital tools from a selection, integration and troubleshooting standpoint.

To improve digital CX, respondents plan to take a variety of steps, including strengthening digital application infrastructure, improving the user experience, integrating new technologies and expanding their use of advanced analytics/artificial intelligence. A majority are either already using or planning to adopt tools and processes to monitor, analyze and continuously improve digital CX. Over three-quarters (78%) are also on the path to incentivize and empower

disparate business functions to collaborate, monitor and take action to improve digital CX. Combined, these steps should help address the troubleshooting gap discussed above.

But only 25% are highly confident in the effectiveness of their current digital CX leadership and governance. Addressing these process issues should take priority. Today, nearly half of respondents rely on loose, ad hoc or committee-based digital CX governance. Vesting this vision and strategy in dedicated leadership can help keep future investments aligned with business objectives, ideally via a consistent and easily communicated metric for digital CX performance. “When there’s no alignment on which metrics matter, then there’s no singular driver, there’s no single source of truth and it’s harder to collaborate,” Zaheer said.



# 4 Experts On Digital CX Today

We asked CX leaders to comment on the trends our research revealed. Here's a selection of what they had to say.

**Many organizations consider themselves to be digital CX leaders but lack clearly articulated strategy and leadership. Do you see any consequences from that disconnect?**

## ADAM TOPOREK

*Customer Service Expert, Speaker and Author*

"Organizations which lack a clearly articulated strategy can easily find themselves lost in a sea of technological options, without a vision for which ones to choose or how to use them. A lack of CX leadership is even more destructive, permeating the entire organization and leading to negative impacts on culture, employee experience and customer experience."

## ANDREA BRIMMER

*Chief Marketing and PR Officer, Ally Financial Inc.*

"Alignment across marketing, operations, finance and IT relative to CX omnichannel experiences is critical. If there are disconnects across that chain of command, it has major ramifications and impacts downstream. If investment capacity isn't there, if the right prioritization isn't there, if the feedback loop from operations isn't there and if IT isn't prioritizing the workload against the strategy ... then all of it's going to fall flat."

**Can you propose any cures for organizations struggling with digital CX troubleshooting?**

## ANDREA BRIMMER

*Chief Marketing and PR Officer, Ally Financial Inc.*

"Learn fast, fail fast, be very transparent within the organization with regard to failure in the spirit of self-

identifying issues and be able to get all the right people around the table to fix them quickly."

## ANNETTE FRANZ

*Founder and CEO, CX Journey Inc.*

"I always tell people to start with the basics. Take the time and step back and just take the time to really understand your customers. You know: What are their needs and their expectations and pain points and problems [to be] solved? ... There are so many companies that find customers for their products rather than products for their customers."

**What can organizations do with digital CX to reduce customer effort?**

## ADAM TOPOREK

*Customer Service Expert, Speaker and Author*

"Minimization: every step in the customer journey, no matter how necessary, adds effort. Every option, no matter how comprehensive you want your experience to be, adds friction. ... With our capacity to customize digital interfaces and interactions today, we have an incredible ability to minimize the number of tasks in the journey and reduce the paradox of choice. The more we can provide customers with the shortest distance between where they are and where they want to be, the less effort they will feel."

"I am amazed by how many experiences I still have in which it is unclear what I am supposed to do next. Avoid jargon."

## MELISSA HOBLEY

*Chief Marketing Officer, OkCupid*

"If we know anything, it's that people want to be heard. Reducing customer effort should not be tied to keeping your costs low. ... Having to answer 17 questions before you can send an email is so annoying and frustrating. ... Shorten the path, making those support channels easy to find in your social channels. You shouldn't have to go to the depths of a website to find someone to reach out to. I think a lot of brands still have a lot of progress to make here. Can I find a way to reach out to someone? Can I do that quickly?"

## Are there any CX components where there's a tendency to over- or under-invest?

### MELISSA HOBLEY

Chief Marketing Officer, OkCupid

"I don't think [many companies] have sophisticated enough and thoughtful enough financial models, [such as] when customer service is looked at as a cost center. ... [You need to be able to see] what that positive customer service interaction means on the bottom line. ... We believe in making sure everybody on the human side of CX is locked and loaded with the brand, and gets it, and knows it."

### ANNETTE FRANZ

Founder and CEO, CX Journey Inc.

"Under-investment: employees and the employee experience. The employee experience drives the customer experience.

"Over-investment in technology. They have too many platforms that overlap. ... They've got all these disparate and different systems. Different departments say, 'Oh, I need this, or we want that,' rather than go to [a] CIO. Everybody decides to do their own search for the platform that's going to solve their immediate need."

## What concrete steps can organizations take to improve digital CX governance?

### ANNETTE FRANZ

Founder and CEO, CX Journey Inc.

"Make sure that there's a clearly defined and communicated customer experience vision. Everybody

needs to know what it is and how we're going to achieve it. And then you need to define success metrics: What does success look like? Then, as you're building this governance structure ... you've got to make sure that the teams are cross-functional because that helps ensure that the effort is organization-wide."

### ANDREA BRIMMER

Chief Marketing and PR Officer, Ally Financial Inc.

"We have definitely adopted a process which allows us to raise issues, share information with everybody that needs to be in the know, but within that have very clear roles. ... Who is responsible for fixing [the issue]? Who are we just advising? Who are we consulting? I think that's the way that you need to approach governance, so that you don't have a myriad of different voices in the process that slow you down in getting to an eventual resolution or solution."

## Strong majorities of respondents express confidence about every aspect of their digital channel operations and execution. Do you think that confidence is justified?

### MELISSA HOBLEY

Chief Marketing Officer, OkCupid

"No, absolutely not. I think you are hard pressed to find the average person who says, 'Most of the time I can get a question resolved,' be it a return, a question about the product, whatever it may be. I think most companies are not doing a great job of this. I think that shows a disconnection, frankly, between leadership on this side, and their customer. ... Are you looking at those CX reports and the complaints? Are they up, are they down? Are you resolving those cases quickly? Are you accelerating the speed at which people are hearing back from you? Are you turning those people into evangelists?"

### ADAM TOPOREK

Customer Service Expert, Speaker and Author

"Across the larger landscape, I can see justification for confidence. Many companies, particularly at scale, provide solid digital experiences. However, if the confidence results in complacency, then it is not serving the organization's interests. ... Confidence is great, as long as it is paired with a hunger to improve."

# Methodology

- We surveyed 400 U.S.-based executives.
- All respondents represent organizations with at least \$100 million in annual revenue and 30% of those surveyed had at least \$1 billion in annual revenue.
- Respondents represent a variety of business functions, including customer service (18%), digital strategy/operations (22%), customer experience (16%), e-commerce (15%), IT & engineering (15%) and marketing (14%).
- Nearly two-thirds (65%) of respondents sit at the VP or director level; 26% sit at the EVP/SVP level.
- C-suite executives make up 10% of the respondent pool.
- Respondents work in a wide range of industries, including retail/e-commerce (38%), banking/financial services (25%), insurance (13%), telecom (13%) and travel/hospitality (13%).



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