Customer experience and your bottom line

Executive summary

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Avanade and Sitecore research
conducted by Vanson Bourne

Falling behind: only 14% of businesses are hitting the mark

First the good news: 96% of respondents said they "have" or "are developing" a formal customer experience strategy. Alarmingly, though, just 14% say they are one step ahead of customer expectations.

The obstacles to getting there

So why are so few businesses hitting the mark with customer experience? The vast majority, 88%, say they face obstacles to delivering. One explanation might also be the sheer size of the challenge ahead of businesses; at least eight in 10 organizations say they require improvements across the entire customer experience lifecycle, from building, developing

The most common obstacles are the need to update and modernize the IT, sales, marketing and service systems (44%), and a lack of internal skills to build, implement and manage the customer experience (41%). Considering so many organizations are seeing these obstacles, it suggests that organizations will need to
look externally to overcome them.

Two ways businesses can unlock customer experience value

Many businesses who are achieving the benefits of a customer focused experience strategy do so in two simple, yet crucial ways: they invest in modern technology, and they bolster their expertise with a third party or upgraded skills.

In fact, nearly 80% of respondents said they achieved their customer experience gains by upgrading and/or adopting a marketing technology platform. Another 50%said their gains were thanks to enlisting a trusted, third-party partner, and/or simply investing more in upgrading the skills of their resources.

The reason those two tactics are powerful is simple. It provides the ability for these businesses to offer customers personalized, relevant information at the right time, in the right place. It is this "frictionless," cross channel delivery of services that go hand in hand with happier customers, and better results. Augmenting skills enables the acceleration of delivery, ultimately driving better results for the organization.
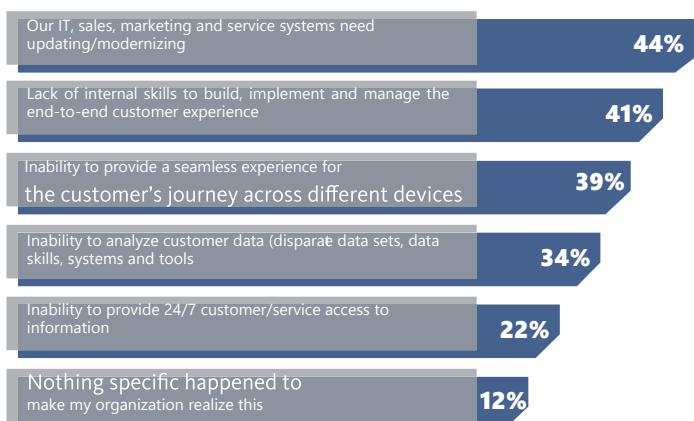
Obstacles to delivering a good customer experience

Our IT, sales, marketing and service systems need updating/modernizing	44%
Lack of internal skills to build, implement and manage the end-to-end customer experience	41%
Inability to provide a seamless experience for the customer's journey across different devices	39%
Inability to analyze customer data (disparate data sets, data skills, systems and tools	34%
Inability to provide 24/7 customer/service access to information	22%
Nothing specific happened to make my organization realize this	12%

Figure 2: "What are the obstacles preventing your organization from delivering a good customer experience?" asked of all respondents (880 respondents).

Conclusion

We live in an era where the digital customer experience is king. However, very little quantifiable data was available, until now, to show just how valuable it is. Avanade and Sitecore's joint report reveals a simple, but stunning truth. Customer experience strategies generate massive returns
– US$3 for every $1 spent – and an overall increase of 22% of the lifetime value of customers. But companies are falling behind, with just 14% ahead of the game in developing their own strategy. Three actions can help to turn your business into a leader:

- Investment in innovative marketing technologies
- Investment in your people and expertise
- Investment in a seamless customer experience management system that brings it all together.

About the research

Avanade and Sitecore commissioned independent technology market research specialist Vanson Bourne to undertake the research upon which this report is based. 880 decision makers with responsibility or influence over their organization's customer's digital experience were interviewed in February and March 2016. Respondents came from across the globe; 320 came from the US and Canada, 160 each from UK and Germany, and 120 each from Australia and Singapore. They worked in the following roles in their organization; business development and sales, customer/client services and support, IT, marketing and digital strategy and finance. Respondents came predominately from organizations with an annual global revenue of more than US $1Billion. Interviews were conducted using a mixture of online and telephone interviews using a rigorous multilevel screening process to ensure that only suitable candidates were given the opportunity to participate. Unless otherwise indicated, the results discussed are based on the total sample.

Want more insight on the importance of building a customer experience strategy? Download the full report at www.sitecore.net/cxresults or www.avanade.com/cxresults.

About Avanade

Avanade is the leading provider of innovative digital and cloud-enabling services, business solutions and design-led experiences, delivered through the power of people and the Microsoft ecosystem. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation and has 29,000 professionals in 23 countries. Visit us at www.avanade.com.

About Sitecore

Sitecore is the global leader in experience management software that enables context marketing. The Sitecore® Experience Platform™ manages content, supplies contextual intelligence, and automates communications, at scale. It empowers marketers to deliver content in context of how customers have engaged with their brand, across every channel, in real time. More than 4,600 customers—including American Express, Carnival Cruise Lines, easyJet, and L'Oréal—trust Sitecore for context marketing to deliver the personalized interactions that delight audiences, build loyalty, and drive revenue.
For more information, follow us at @sitecore or visit www.sitecore.net.

About Vanson Bourne

Vanson Bourne is an independent specialist in market research for the technology sector. Our reputation for robust and credible research-based analysis is founded upon rigorous research principles and our ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and all major markets. For more information, visit www.vansonbourne.com.

For more information

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