

# Customer experience and your bottom line

Experiences. Results. Expertise.

Executive summary for banking  
and capital markets



Avanade and Sitecore research  
conducted by Vanson Bourne



## Quantifying the customer experience

It should come as no surprise that companies that have a digital customer experience strategy, tend to outperform those who don't. A quick search on social media for hashtags like "#CX" will provide lots of examples of how a focused approach to the digital customer needs ample results. But what does the research say? Is there any hard proof to back this up? Until now, quantifying the value of a customer experience strategy was next to impossible. Very few research-driven reports existed. This lack of insight is why Avanade and Sitecore® teamed up with third-party research team, Vanson Bourne, to survey hundreds of high-level decision makers in enterprises across industries and countries, to get answers. The results confirm what we suspected all along, but also raise serious red flags.

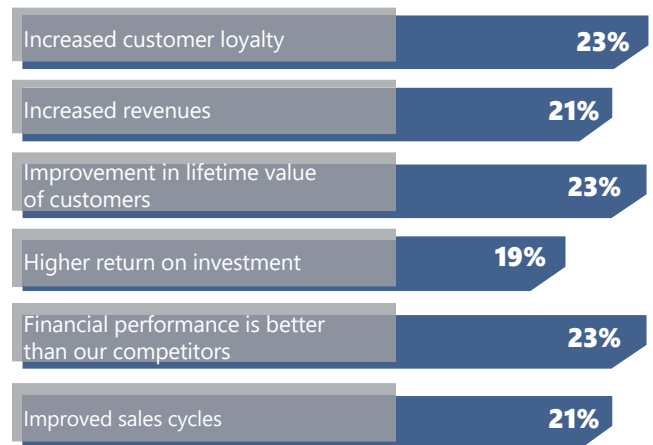
Simply put, our research finds that developing a customer experience strategy is incredibly valuable and offers tangible, exponential benefits to businesses everywhere. Unfortunately, though, there is an enormous lack of commitment on the part of businesses to do so. Very few are ahead of the game. For the full story and statistics, continue reading summary, or download the entire report at [www.sitecore.net/cxresults](http://www.sitecore.net/cxresults) and [www.avanade.com/](http://www.avanade.com/)

This report explores in more detail the insights captured from respondents in the banking and capital markets sectors and their relation to global and other regional data.

Not only do those who invest see huge financial returns, they also expect significant benefits across all aspects of the business, from customer

satisfaction, to customer loyalty, to increased retention, revenues and improved sales cycles. For example, respondents from the banking and capital markets sector who are actively fostering a strategy to improve customer journeys have seen a 23% improvement in customer loyalty and competitive financial performance. Similarly, businesses who have seen an improvement in sales cycles report a 21% increase (Figure 1).

### Achieved benefits from a CX focus over the last 12 months



**Figure 1:** Analysis showing the average percentage increase of each realized benefit, asked to respondents from banking and capital markets organizations who have seen at least one benefit to prioritizing the customer experience, respondents only saw those benefits they say have been realized (22-43 respondents).

Another stand-out finding was that businesses who have seen the lifetime value of their customers increase as a result of CX enhancements have seen lifetime value improve by a massive 23% - slightly higher than the global average (22%).

## Just how valuable is customer experience for the banking and capital markets sectors?

Respondents in the banking and capital markets sectors indicated that they see a return of US \$5 for every US \$1 spent on developing customer experience-focused strategies and capabilities. This is the greatest return across all the sectors surveyed and more than the global return (US \$3).

## Falling behind: only 20% of businesses are hitting the mark

First the good news: 97% of respondents from the banking and capital markets businesses said that their organization has, or is developing, a formal customer experience strategy. Alarming, though, just 20% say that they are one step ahead of customer expectations - despite this being one of the sectors that are most likely to be one step ahead.

## The obstacles to getting there

So why are so few businesses exceeding expectations with their focus on customer experience? The vast majority, 86%, say that they face obstacles to delivering. One explanation might also be the sheer size of the challenge ahead of businesses. Eighty percent of organizations say that they require improvements across the entire customer experience lifecycle, from building, developing and implementing, to managing and maintaining it.

## Three ways businesses can unlock customer experience value

Many businesses achieving the benefits of a customer-focused experience strategy do so in three simple, yet crucial ways:

1. Invest in modern marketing technology
2. Bolster their expertise by working with a third party or by upgrading skills
3. Invest in a seamless customer experience management system

In fact, over eight in ten (82%) respondents said their organizations achieved their customer experience gains by upgrading and/or adopting a marketing technology platform and almost half (49%) said that their gains were thanks to enlisting a trusted, third-party partner, and/or simply investing more in upgrading the skills of their resources (Figure 2).

## How benefits have been achieved



**Figure 2:** Analysis showing the percentage of respondents from banking and capital markets organizations who have adopted the above methods to achieve the benefits they have seen in the last 12 months; asked to respondents whose organization has seen at least one benefit in the last 12 months as a result of prioritizing the holistic customer experience (65 respondents)

Additionally, 63% report that their organization is likely to invest in customer experience management over the next year and they expect to see an 11% increase in revenue as a result.

The reason these three tactics are powerful is simple. They provide the ability for businesses to offer customers personalized, relevant information at the right time, in the right place. It is this “frictionless” omnichannel delivery of services that goes hand in hand with happier customers, and better results.

## In summary

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. In banking and capital markets organizations, customer experience strategies generate massive returns – US \$5 for every US \$1 spent - and an overall increase of 23% of the lifetime value of customers. But companies are falling behind, with just 20% ahead of the game in developing their own strategy.

Three actions can help turn your organization into a winner:

1. invest in people and expertise
2. Implement a cutting-edge marketing technology
3. Introduce a seamless customer experience management system.

## About the research

In February and March of 2016, a third party research firm, Vanson Bourne, interviewed 880 influential business decision makers across six countries and 14 industries. 86 of these came from the banking and capital markets sector. Respondents came from businesses larger than US \$500 million in annual revenues.

Respondents were interviewed using an online methodology and a robust multi-level screening process was used to ensure only appropriate respondents participate in the project.

Want more insight on the importance of building a customer experience strategy?

Download the full report at [www.avanade.com/cxresults](http://www.avanade.com/cxresults) and [www.sitecore.net/cxresults](http://www.sitecore.net/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](http://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](http://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](http://www.vansonbourne.com).



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