

Insights and trends from 700+ customer experience, marketing and analytics professionals worldwide



Pointillist®

About This Report

Customer experience is a make-or-break factor for business success in 2019. But how do leading organizations optimize their customers' journeys, improve customer experience and measure its impact on their business? To find out, Pointillist surveyed over 700 CX, marketing, and analytics professionals worldwide to uncover key trends, insights and benchmarks on:

- Top-of-mind challenges and priorities
- Effective strategies, tactics and approaches
- High priority metrics and KPIs
- Key characteristics, capabilities and practices that separate top performing teams from the rest of the pack



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Executive Summary

The debate on the importance of customer experience is over, as it is now a top priority for most organizations. In 2019, CX, marketing and analytics professionals are tasked with understanding how to improve customer experience and measure its impact on their business.



01 High Adoption of a Journey-Based Approach to CX is Critical for Success *(See page 7)*

Adoption of a journey-based approach to customer experience was identified by more than 90% of respondents as important to their overall success. Respondents indicated a journey-based approach is most effective for improving customer satisfaction, customer retention and customer lifetime value.

02 High Performers Succeed With a Data-Driven, Journey-based Approach to CX *(See page 9)*

High-performing CX organizations have significantly more mature CX measurement programs and are more likely to use a data-driven, journey-based approach. High-performers are also more satisfied than average- or under-performing teams with their organization's ability to rapidly generate customer insights, take actions based on those insights, and quantify the impact of those actions.

03 Organizations Struggle to Quantify the Business Impact of Customer Experience *(See page 14)*

Most organizations are unable to link customer experience metrics to quantitative business KPIs such as revenue and churn. Only 6% of respondents in under- and average-performing teams state that they are satisfied with their organization's ability to quantify the impact of customer experience on business KPIs.

04 Integration of Cross-Channel Customer Data is a Top Challenge *(See page 18)*

The top obstacle for effective measurement of customer experience is the inability to break down data silos and integrate cross-channel customer data. Only 11% of respondents in under- and average-performing organizations say they are very effective at integrating data. As a result, organizations currently use only 3.8 data sources on average to connect and analyze customer interactions across channels.

05 Current Tools and Technologies are Insufficient for Quantifying and Improving Customer Experience *(See page 22)*

Despite employing 4 different customer data and analytics technologies on average, less than 25% of respondents were satisfied with their ability to integrate customer data, rapidly generate insights, engage customers with the best experience, and quantify the impact of these actions.

Introduction

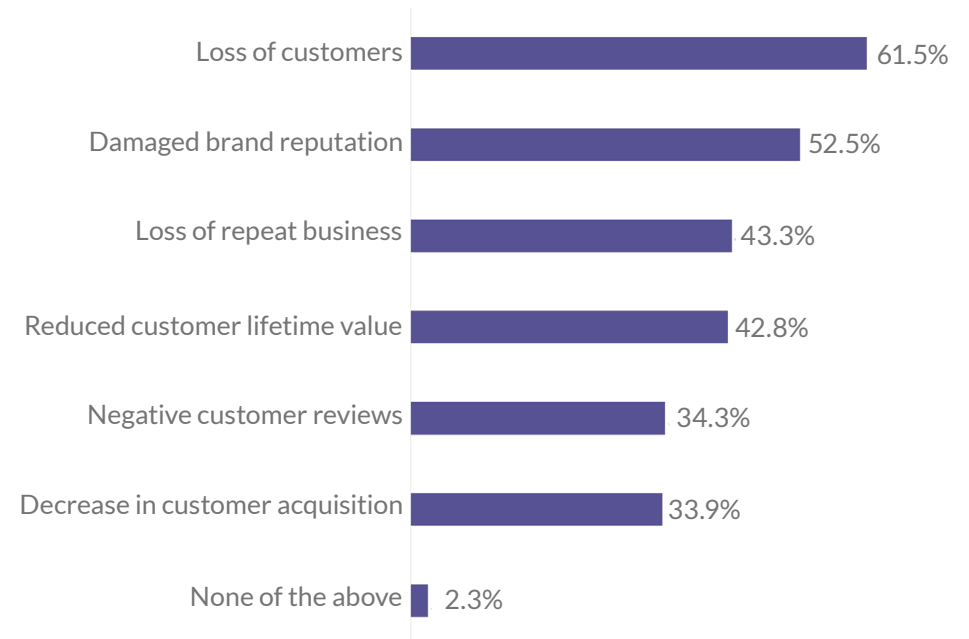
Customer Experience is a Top Priority For Organizations in 2019

In 2019, customer experience is universally recognized as a top priority by most organizations, regardless of industry or size. **More than 87% of respondents say providing exceptional customer experience is very or extremely important to their business, while only 2% say it's not so important.** Customer experience is also the #1 priority for marketers in the next twelve months.

As customer expectations continue to grow and evolve, business leaders are working to improve CX, as they understand the high consequences of failing to meet or exceed those customer expectations, which include loss of customers, damaged brand reputation, loss of repeat business and reduced customer lifetime value.



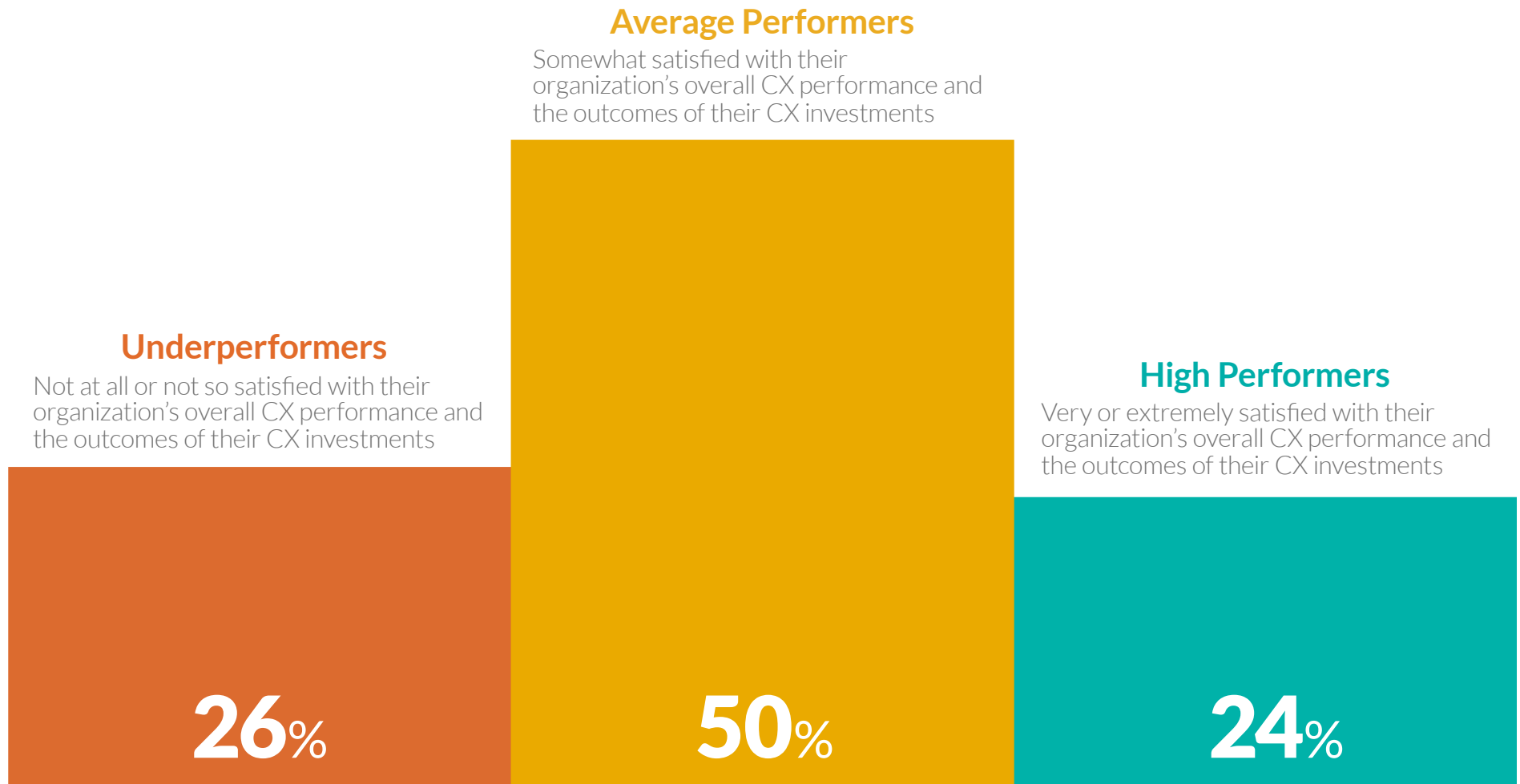
Top Business Risks as a Consequence of Poor Customer Experiences



Introduction

Breakdown of CX Performance Levels

To identify key factors that separate top performing teams from their peers, this report groups respondents into three segments based upon overall satisfaction with their organization's CX performance.



High Adoption of a Journey-Based Approach to CX is Critical for Success



“To design and deliver a great customer experience you need to understand not only your customers’ expectations, the problems they’re trying to solve and the goals they’re trying to accomplish, but most importantly the steps they’ve taken to get there. Centering customer experience around the customer and their journey is the only way to retain customers, which is obviously good business.”



Annette Franz
Founder and CEO
CX Journey Inc



01 High Adoption of a Journey-Based Approach to CX is Critical for Success

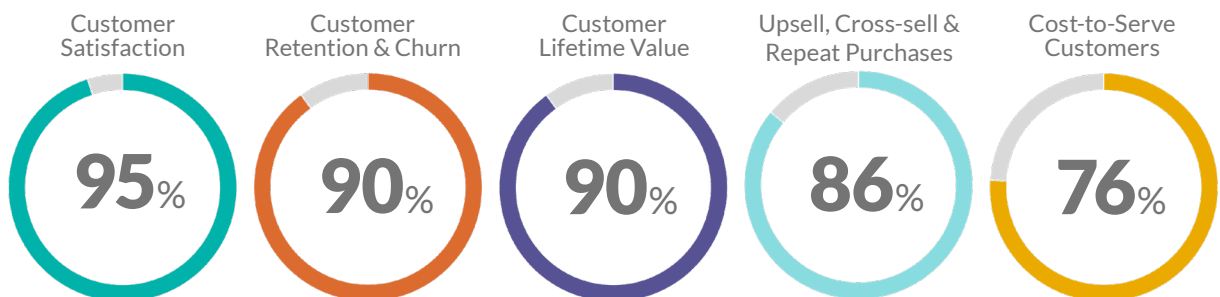
Nine-in-ten respondents say their organizations have adopted a journey-based approach to CX. About 80% say a journey-based strategy is of high importance to the overall success of a company, and has particular relevance to customer satisfaction, customer retention, and customer lifetime value.

Even for those in the minority who have not yet adopted a journey-based strategy, only 3% said it was due to not seeing the need or value of a journey-based approach.

Customer Satisfaction, Retention, and Lifetime Value Are Linked to a Journey-Based Approach



Percentage of Respondents That Agree or Strongly Agree That a Journey-Based Approach Has a Positive Impact on the Following:



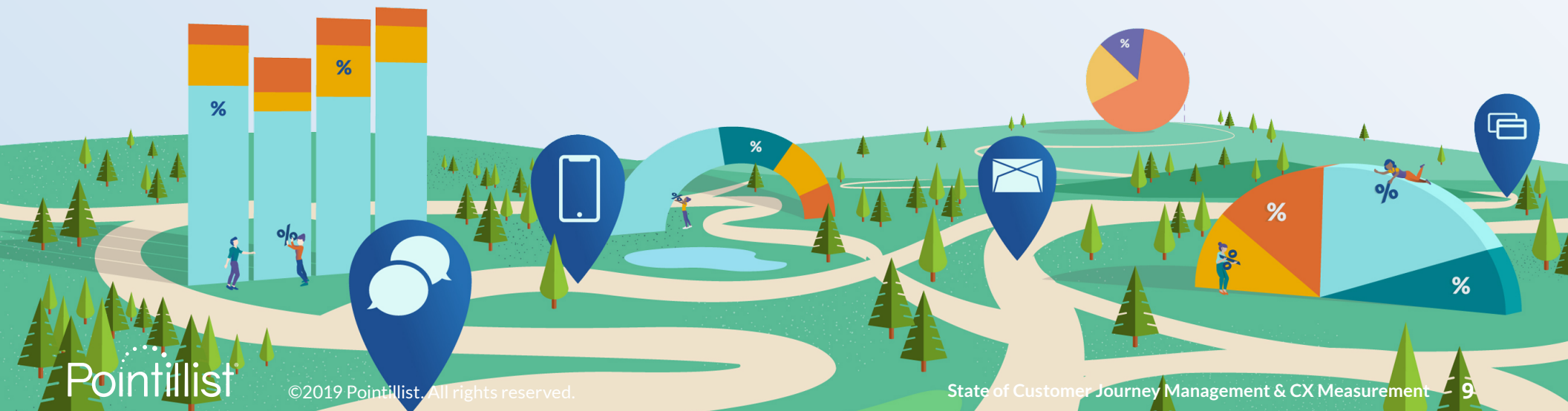
High Performers Succeed With a Data-Driven, Journey-based Approach to CX



“An understanding of customer feedback doesn’t tell you all you need to know about your customers’ experiences. To get the full picture, you also need to understand actual customer behavior. Customer journey analytics is an approach to insights and measurement that examines customers’ behavior not just at individual touchpoints, but along the paths they take as they attempt to accomplish their goals and tasks.”



Kerry Bodine
CEO
Bodine & Co.
Co-author of *Outside In*



02 High Performers Succeed With a Data-Driven, Journey-based Approach to CX

High-performing customer experience teams take a more data-driven approach and differentiate themselves from average-performing and underperforming teams.

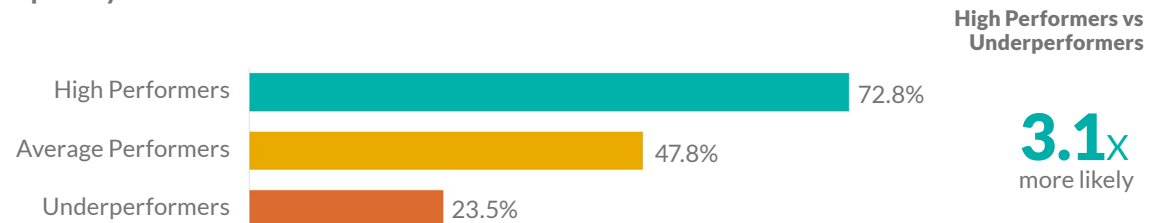
High-performers are more than 9 times as likely to effectively integrate data from multiple sources, analyze customer interactions across channels, and engage with customers optimally through their preferred channels.

High Performers vs Underperformers

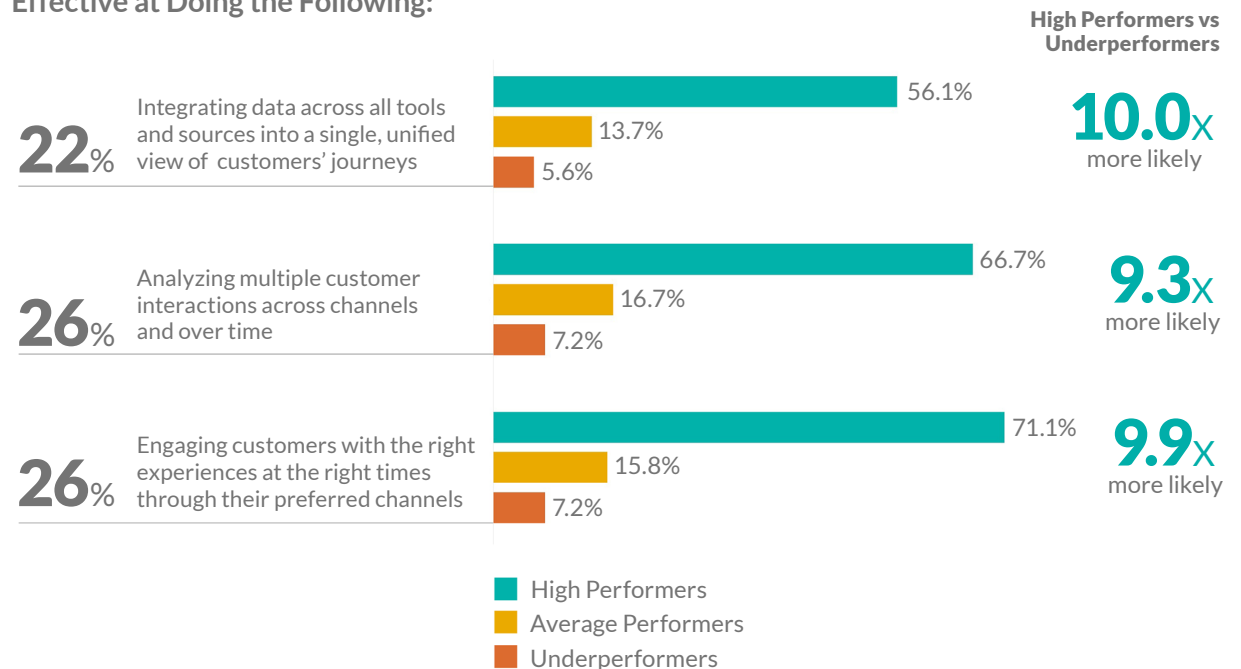
73% of high-performing CX organizations say their journey-based approach is mostly or completely data driven, compared to only 24% of underperformers.

High Performers Are More Likely to Effectively Integrate Data, Analyze Behavior and Engage Customers Across Channels

Percentage of Respondents Whose Journey-Based Approach is Mostly or Completely Data Driven



Percentage of Respondents Whose Organization is Very or Extremely Effective at Doing the Following:



02 High Performers Succeed With a Data-Driven, Journey-based Approach to CX

Top performing teams are not only more likely to be effective at integrating cross-channel customer data, they also use more data sources to analyze customer interactions across channels and touchpoints.

Overall, organizations use an average of 3.8 data sources to connect and analyze cross-channel customer interactions. On average, high performers use at least one more data source than underperformers.

High Performers vs Underperformers

10X more likely to be effective at integrating data across tools and sources to create a single view of customers and their journeys

High Performers Leverage More Customer Data Sources to Analyze CX and Optimize Cross-Channel Customer Journeys

Average Number of Data Sources Used for Cross-Channel Analysis



02 High Performers Succeed With a Data-Driven, Journey-based Approach to CX

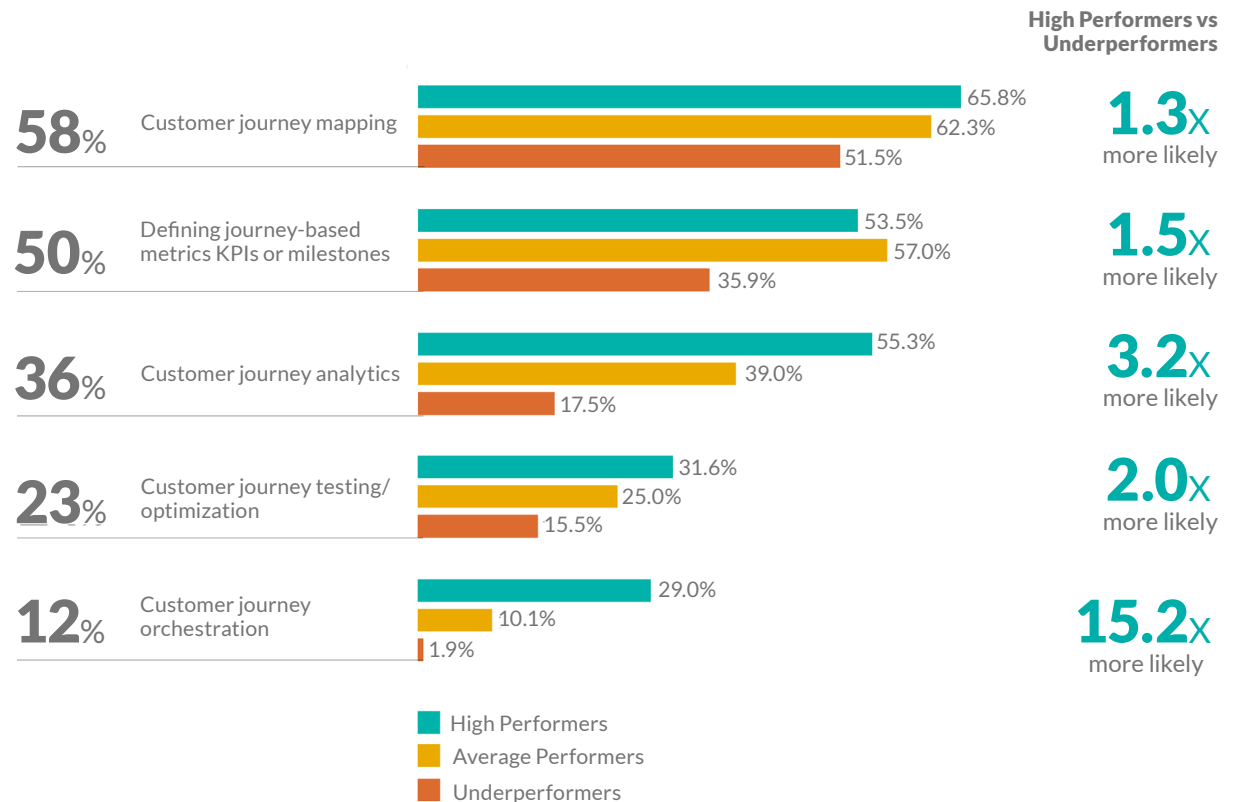
High performers tend to be much more data-driven in their journey-based approach than their peers. They are more likely to employ quantitative, data-driven methods, such as customer journey analytics, journey-based KPIs and milestones, journey testing and optimization, and journey orchestration.

High Performers vs Underperformers

3.2X more likely to employ journey analytics to analyze and optimize customer experience

High Performers Are More Likely to Define Journey-based Metrics and Employ Customer Journey Analytics

Percentage of Respondents Using the Following Journey-Based Methods



02 High Performers Succeed With a Data-Driven, Journey-based Approach to CX

High-performing customer experience teams have significantly more mature customer experience measurement programs than average-performing or underperforming teams.

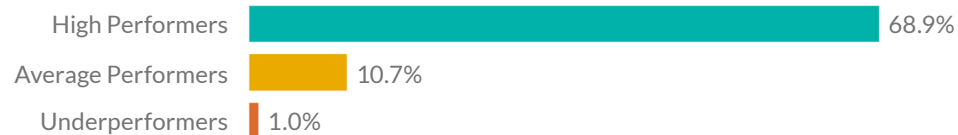
They are also much more satisfied with their organization's ability to generate customer insights rapidly, take action based on those insights, and quantify the impact of those actions on important business KPIs such as revenue, churn, or customer lifetime value.

High Performers vs Underperformers

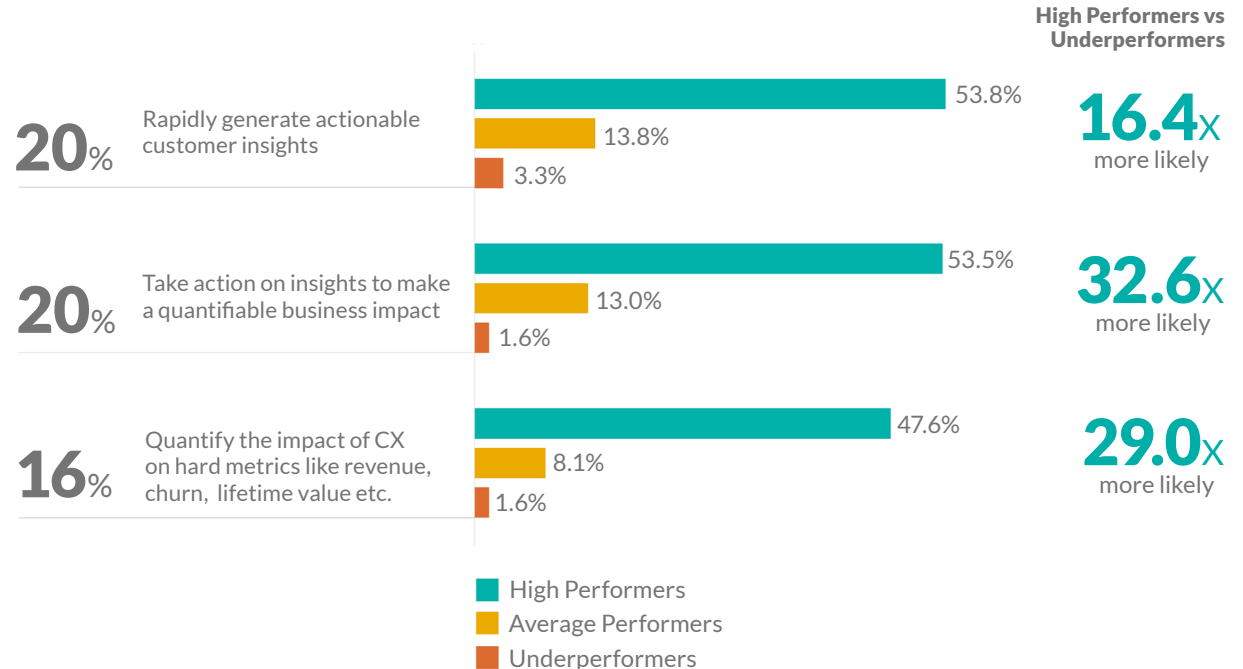
69% of high-performing CX organizations say their CX measurement program is very or extremely mature, compared to only 1% of underperformers

Top-Performing CX Teams Have Mature CX Measurement Programs

Percentage of Respondents Whose CX Measurement Program is Very or Extremely Mature



Percentage of Respondents Who Are Very or Extremely Satisfied With Their Organization's Ability to Do the Following:



Organizations Struggle to Quantify the Business Impact of Customer Experience

“

“Experience-led brands understand that intentional experience design is about serving the organization and the customer. It is also about changing customer and employee behavior to drive financial impact. While experience metrics (like NPS® or CES) provide guidance for understanding the outcome of customer interactions with your brand, the financial outcomes quantify any changes in customer behavior that result. Analytics are the fuel to understand where and how you have an opportunity to change behavior through intentional design.”



Diane Magers, CCXP
CEO
Customer Experience Professionals Association

“

“In a time when executives are scrutinizing the real value of customer experience investments, it is a necessity for CX teams to focus on business value and employ an analytical approach. This enables you to build business cases that are tied back to the organization’s tangible KPIs to gain buy-in and obtain the budget and resources required to make a positive impact.”



Dylan Quah
CX PMO, Journey Design/Channel Experience
Celcom

03 Organizations Struggle to Quantify the Business Impact of Customer Experience

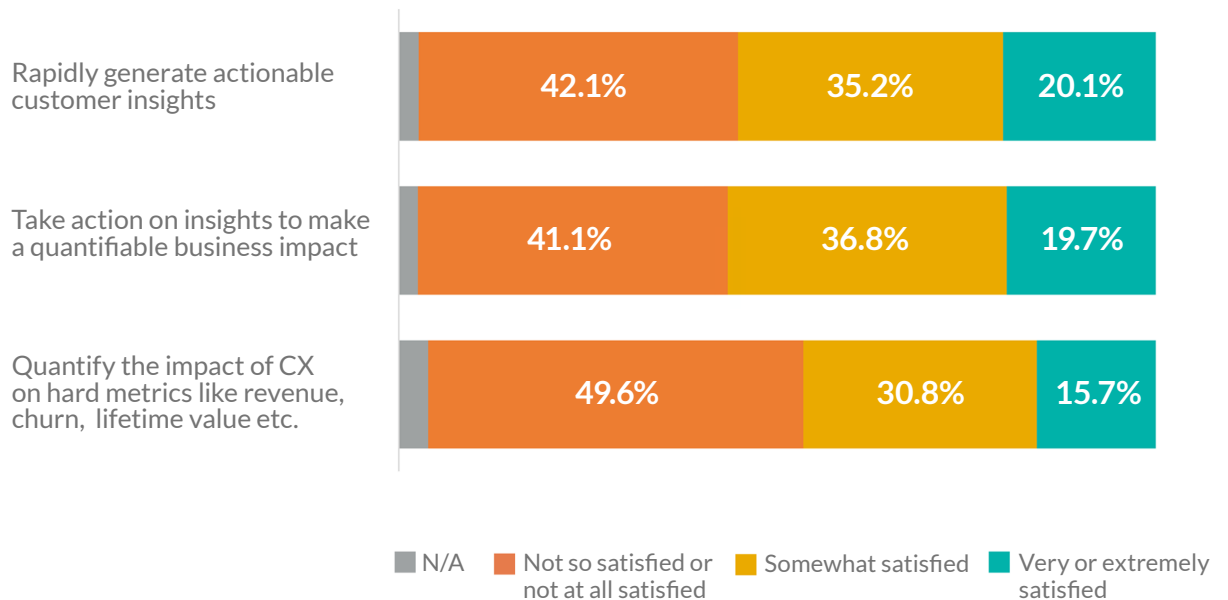
Most organizations are still struggling to measure and quantify the impact of customer experience on important business KPIs such as revenue, churn, and customer lifetime value. Their inability to quantify the impact of customer experience initiatives makes it far more difficult to obtain the budget and resources they need to improve customer experience.

While over 90% of respondents say their organizations have a CX measurement program, less than a quarter say it's very or extremely mature, and more than a third (38%) say their CX measurement program is not so mature or not mature at all.

Over 40% of respondents also report they are unsatisfied with their organizations' ability to generate actionable customer insights quickly, and to take action on insights to make a business impact, more than twice the number of those who are satisfied with their organization's ability to do so.

Most Organizations Are Not Making the Link Between CX initiatives and Business KPIs

Respondents' Satisfaction Levels With Their Organization's Ability To Do the Following:



50% of respondents say they are unsatisfied with their organization's ability to quantify the impact of customer experience on business metrics like revenue, churn and customer lifetime value, over 3 times more than the number of those that are satisfied with their ability to do so

03 Organizations Struggle to Quantify the Business Impact of Customer Experience

VoC-based metrics such as NPS® and CSAT are used by most CX professionals to measure customer experience performance. NPS is the number one most-employed metric (59%), followed by CSAT (54%). The use of business-focused KPIs, such as revenue and return on investment (ROI) is far lower. For example, only 26% say they use revenue as a yardstick to measure customer experience success.

While survey-based metrics such as NPS and CSAT are certainly valuable for gauging customer satisfaction levels, most customer experience teams are unhappy with their ability to link these metrics to business KPIs such as revenue, customer lifetime value and churn.

High Performers vs Underperformers

43% of high-performing CX teams consider customer lifetime value to be a top-priority metric, compared to just 28% of underperformers

CX Teams Still Rely Largely on VoC-based Metrics That Aren't Linked to Business KPIs

Top Methods for Measuring the Success of CX Initiatives

- 1 Impact on CX metrics (e.g. NPS, CSAT, FCR, CES etc)
- 2 Survey-based customer feedback
- 3 Qualitative customer feedback
- 4 Impact on revenue
- 5 Impact on customer engagement metrics (e.g. product usage, content engagement etc.)

Top High Priority Metrics & KPIs for CX Professionals

- 1 Net Promoter Score (NPS)
- 2 Customer Satisfaction (CSAT)
- 3 Customer Lifetime Value (CLTV)
- 4 Customer Effort Score (CES)
- 5 Return on Investment (ROI)

03 Organizations Struggle to Quantify the Business Impact of Customer Experience

Most CX teams are unable to quantify customer experience ROI, which was identified as the top overall CX challenge. As a result, most are unable to justify the increase in budget and resources they require to execute their CX initiatives, and many are also struggling to identify and prioritize high impact opportunities to improve customer experience, which is the third top overall CX challenge.

The top challenges to resolve customer problems are:

- Lack of budget or resources to take action (40%)
- Executing/implementing effective solutions (37%)
- Lack of data to quantify the impact of CX initiatives (32%)

High Performers vs Underperformers

48% of underperformers say a lack of budget and/or resources is a top obstacle for resolving CX issues, compared with only 30% of high performers, who are more effective at quantifying the impact of their CX initiatives

CX Teams Struggle to Quantify the ROI of CX Initiatives and Take Action Based on the Insights They Uncover

Top Obstacles to Resolving CX Issues or Problems

- 1 Lacking budget or resources to take action
- 2 Executing/implementing effective solutions
- 3 Lacking data to quantify the impact of CX initiatives
- 4 Determining the root cause of the problem(s)
- 5 Determining which issues or problems to address first

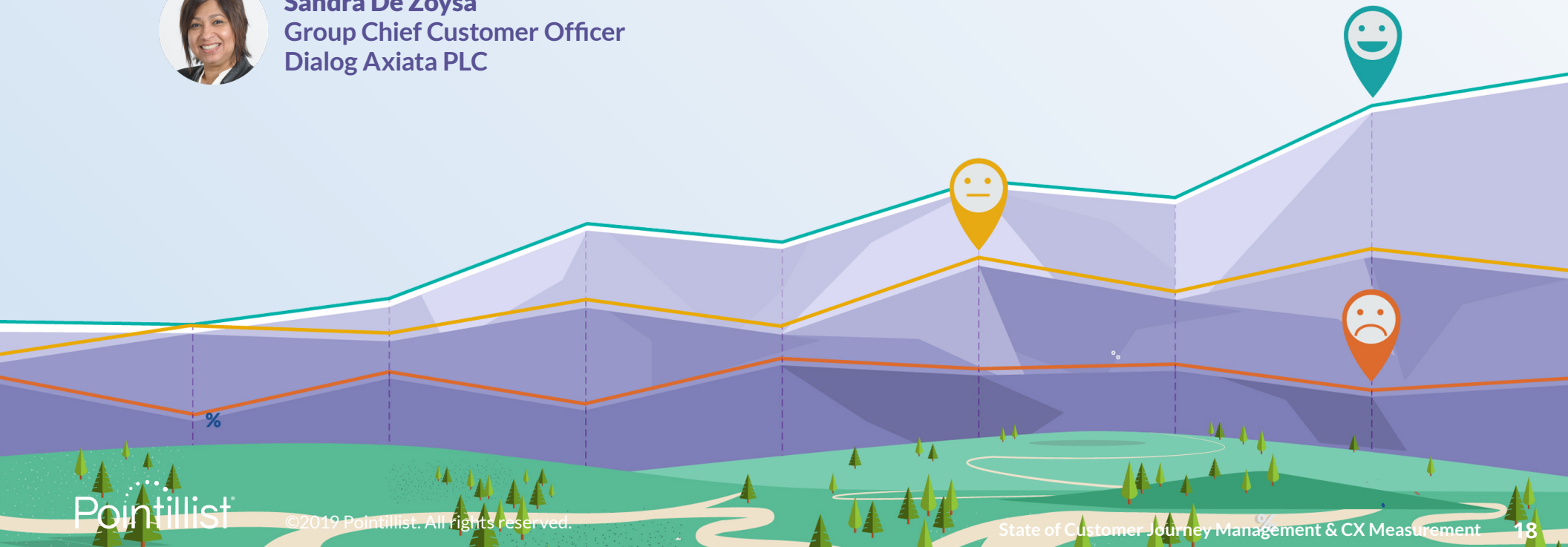
Integration of Cross-Channel Customer Data is a Top Challenge



“In order to measure and optimize omni-channel customer journeys, CX leaders need to invest to bring all customer information together and create a single source of truth. Fragmented customer data are a hindrance to CX and customer-facing employees, who will be blindsided by a lack of information about their customer’s true experience over the course of their journeys.”



Sandra De Zoysa
Group Chief Customer Officer
Dialog Axiata PLC



04 Integration of Cross-Channel Customer Data is a Top Challenge

Most organizations are still struggling with data silos, and integrating cross-channel customer data remains a major obstacle for effective analysis and measurement of customer experience.

Even as the number of channels through which customers interact with companies continues to grow exponentially, **most organizations still lack a single, unified view of the customer. This was identified as the number one customer experience measurement challenge (45%).** Not surprisingly, this problem is even more challenging for large enterprises (52%) than medium or small businesses.

Less than a quarter (22%) of respondents say that they are very or extremely effective at integrating data across all tools and sources, while almost twice as many (41%) said they are not very or not at all effective at integrating cross-channel customer data.

40% of respondents agree that breaking down organizational data silos is a top CX challenge today, making it the #2 overall challenge

Less Than a Quarter of Respondents Believe They Are Effective at Integrating Customer Data

Top CX Challenges Overall

- 1 Quantifying customer experience ROI
- 2 Breaking down organizational data silos
- 3 Identifying & prioritizing high impact opportunities to improve customer experiences
- 4 Generating actionable insights quickly
- 5 Delivering personalization at scale

Top CX Measurement Challenges

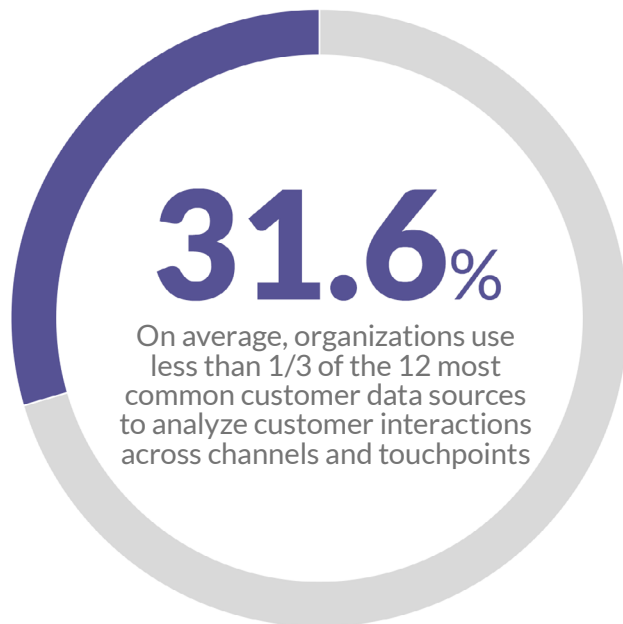
- 1 Lacking a single view of the customer and customer journey
- 2 Generating actionable insights quickly, in real-time
- 3 Lacking access to silo-ed data across multiple sources
- 4 Lacking sufficient internal time or resources
- 5 Lacking the right tools or technology to collect and/or analyze the data

04 Integration of Cross-Channel Customer Data is a Top Challenge

Most Organizations Use Less Than a Third of the Most Common Data Sources For Analyzing Cross-Channel Customer Journeys

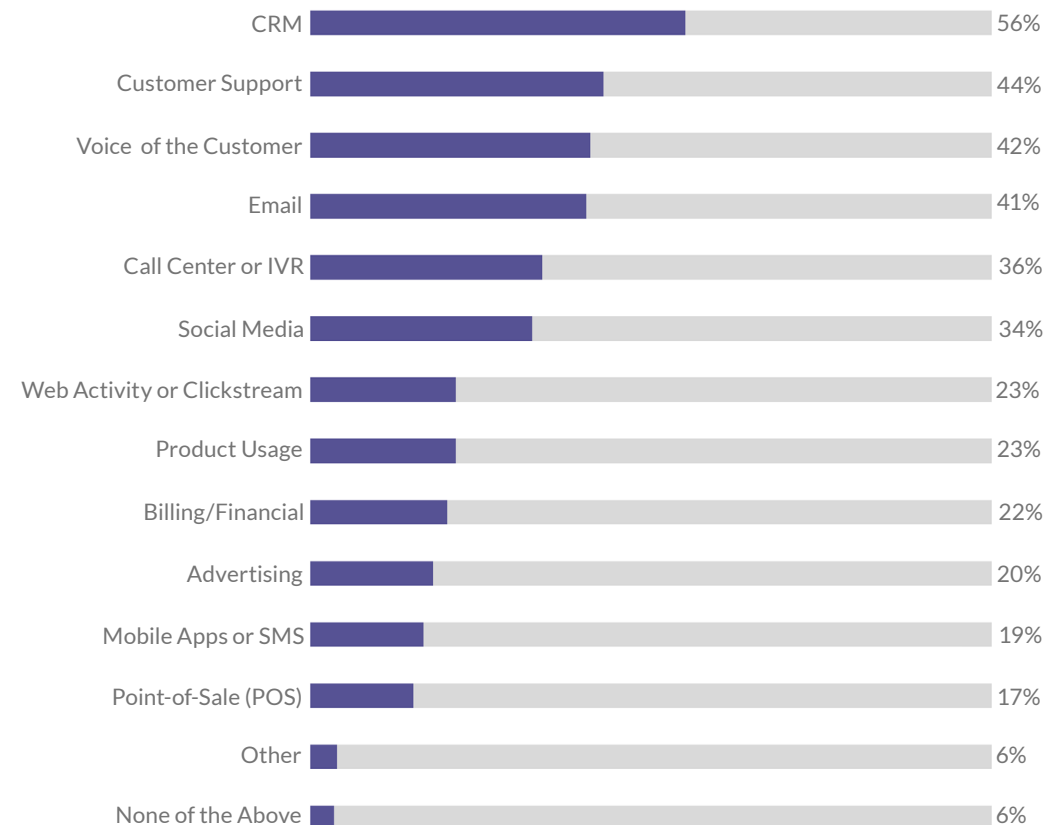
Perhaps the most significant consequence of the lack of customer data integration is that it results in cross-channel customer journey analyses based largely on incomplete information.

Organizations typically use less than a third of the twelve most common customer data sources to analyze customer interactions across channels and touchpoints. **Less than half of organizations report that they leverage data from 11 of the top 12 customer data sources.**



■ AVG % of Data Sources Used ■ AVG % of Data Sources Not Used

Percentage of Respondents that Use Data From the Following Sources to Analyze Customer Interactions Across Channels



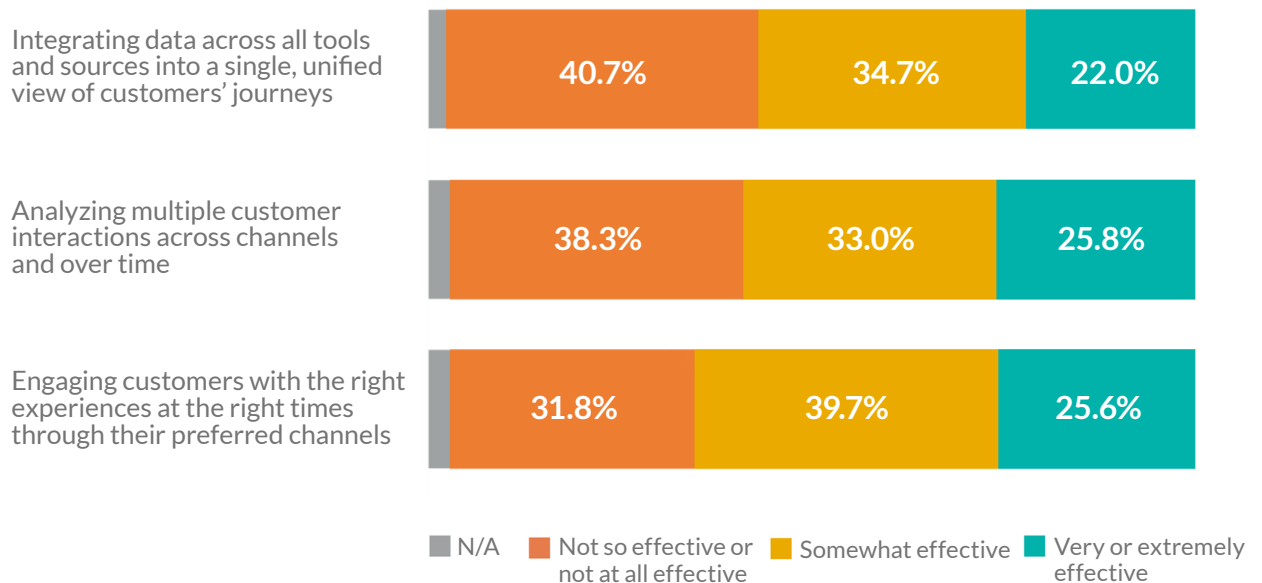
04 Integration of Cross-Channel Customer Data is a Top Challenge

Due to an incomplete view of their customers' journeys, organizations are struggling to effectively analyze customer interactions across channels and engage customers with the best experience.

- **Only 1-in-4 (26%) are very or extremely effective at analyzing multiple customer interactions across channels and over time, while 38% say they are either not very or not at all effective.**
- Only 1-in-3 (33%) of those taking a journey-based approach are analyzing connected customer interactions across two or more channels, while 46% still analyze and optimize each customer touchpoint independently.
- High-performing CX teams are over two times more likely than underperformers to analyze customer interactions across two or more channels (45% vs 22%).
- **Only 1-in-4 (26%) are very or extremely effective at engaging the right customers with the right experiences over time through their preferred channels, while 31% are not so effective or not effective at all.**

Data Integration Challenges Lead to Incomplete Customer Journeys and Sub-Optimal Customer Engagement

Effectiveness of Respondents' Organizations At Doing the Following



52% of enterprise organizations agree that lacking a unified view of the customer and their journeys is a top challenge for effectively measuring customer experience

04 Integration of Cross-Channel Customer Data is a Top Challenge

Organizations report spending millions on technologies for customer data, analytics & engagement. Yet, many say they lack the right technology to succeed and are unhappy with their organizations' ability to achieve the goals that originally drove the purchase of these technologies.

Despite using an average of 4.5 different customer data, analytics, and engagement technologies:

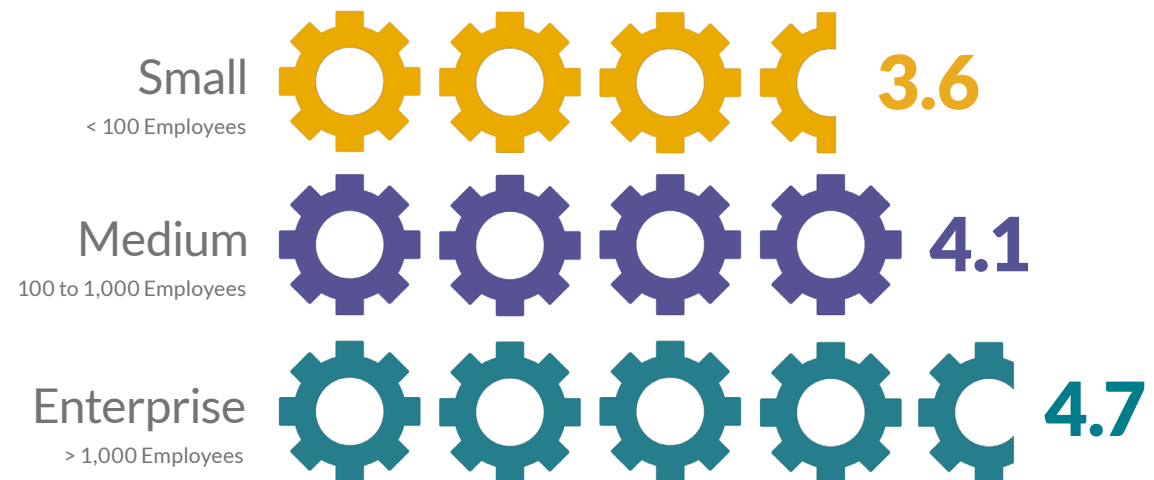
- 30% say they lack the right tools or technology. This is also one of the top five challenges for effectively measuring customer experience

Less than 25% are satisfied with their ability to:

- Integrate data across tools and sources to create a single unified view of their customers
- Rapidly generate customer insights
- Engage customers with the right experiences at the right times through their preferred channels
- Quantify the impact of CX

Current Technologies Are Insufficient For Quantifying and Improving Customer Experience

Average Number of Customer Data, Analytics & Engagement Technologies Used



32% consider limitations of legacy tools or technology to be one of their top three overall CX challenges today

Appendix



“The days are long gone when companies only focused on their products and services. The quality of products and services is still critical, but customer-centric designs that are thoughtfully carved out of a customer journey-based approach are driving overall business success today. The journey-based design is the key for enabling companies to effectively empathize with and address the customer needs, desires and goals.”



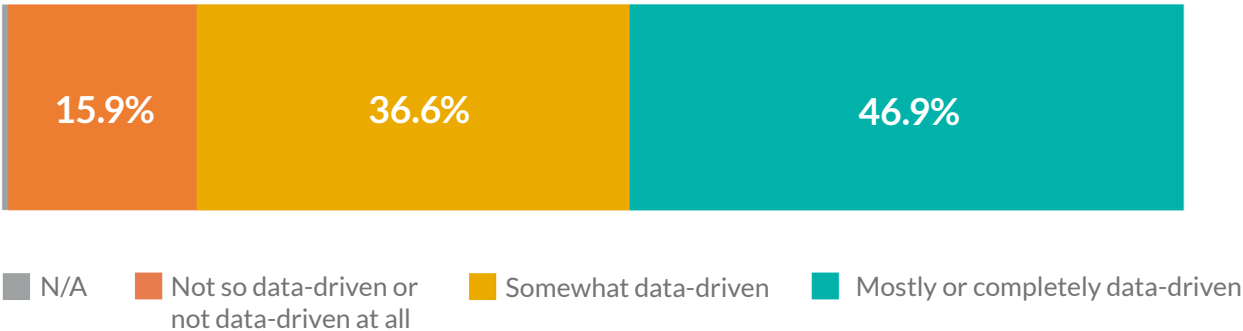
Nimish Kasar
User Experience Lead
Kimberly-Clark Corporation



Appendix

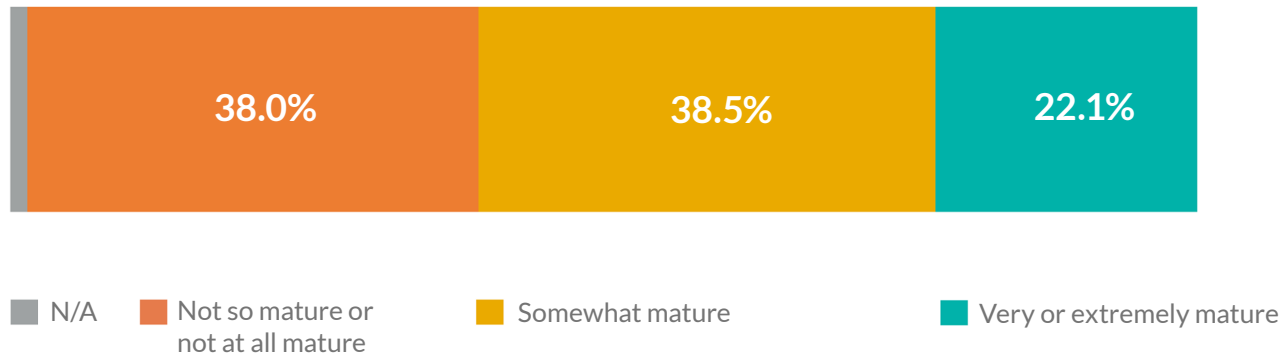
Data-Driven Journey-Based Approach Overall

How data-driven is your organization's approach to understanding and optimizing customer journeys?



CX Measurement Maturity Levels Overall

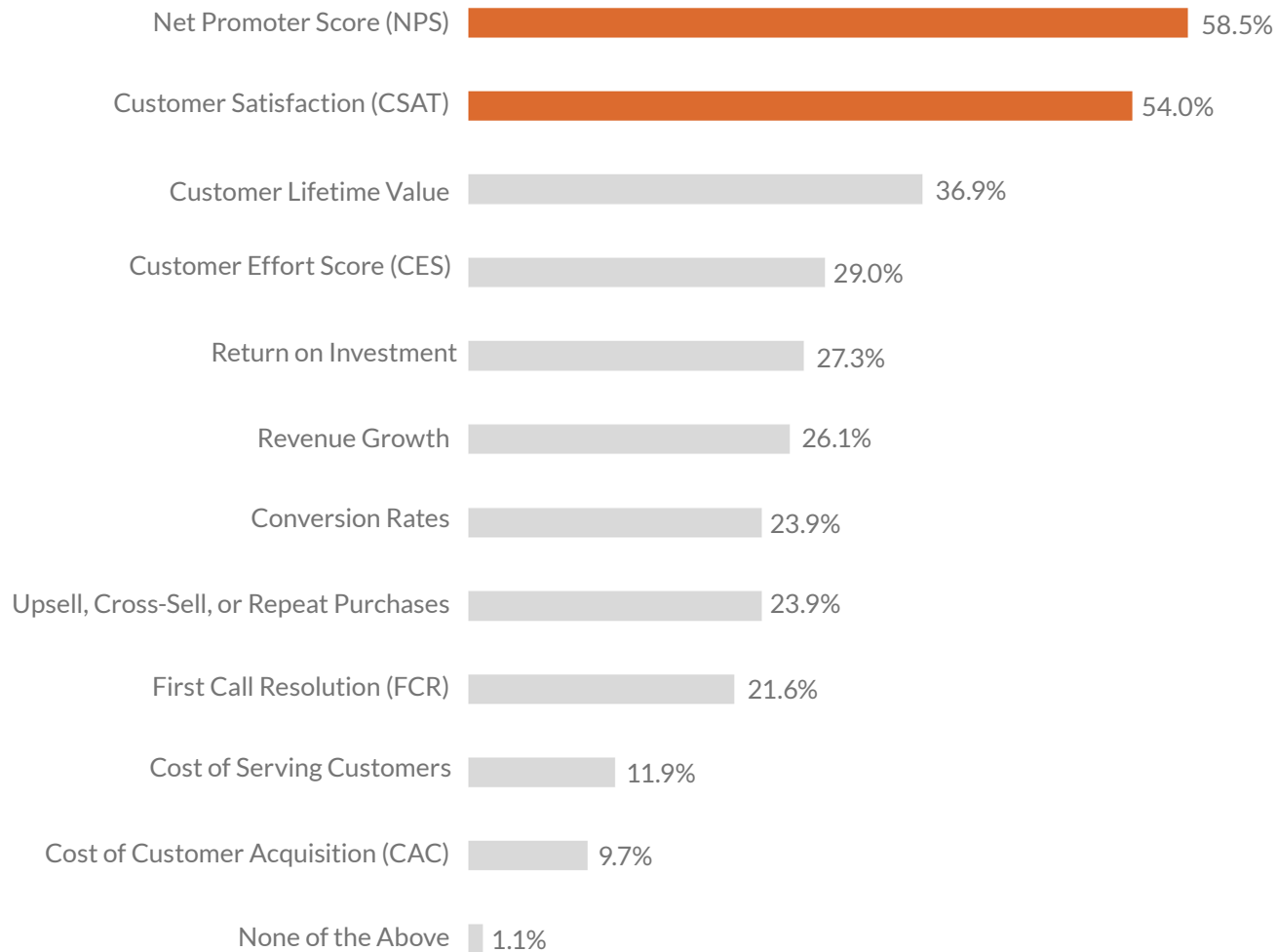
How would you rank the maturity level of your organization's CX measurement program?



Appendix

Most Important Metrics/KPIs for Customer Experience Professionals

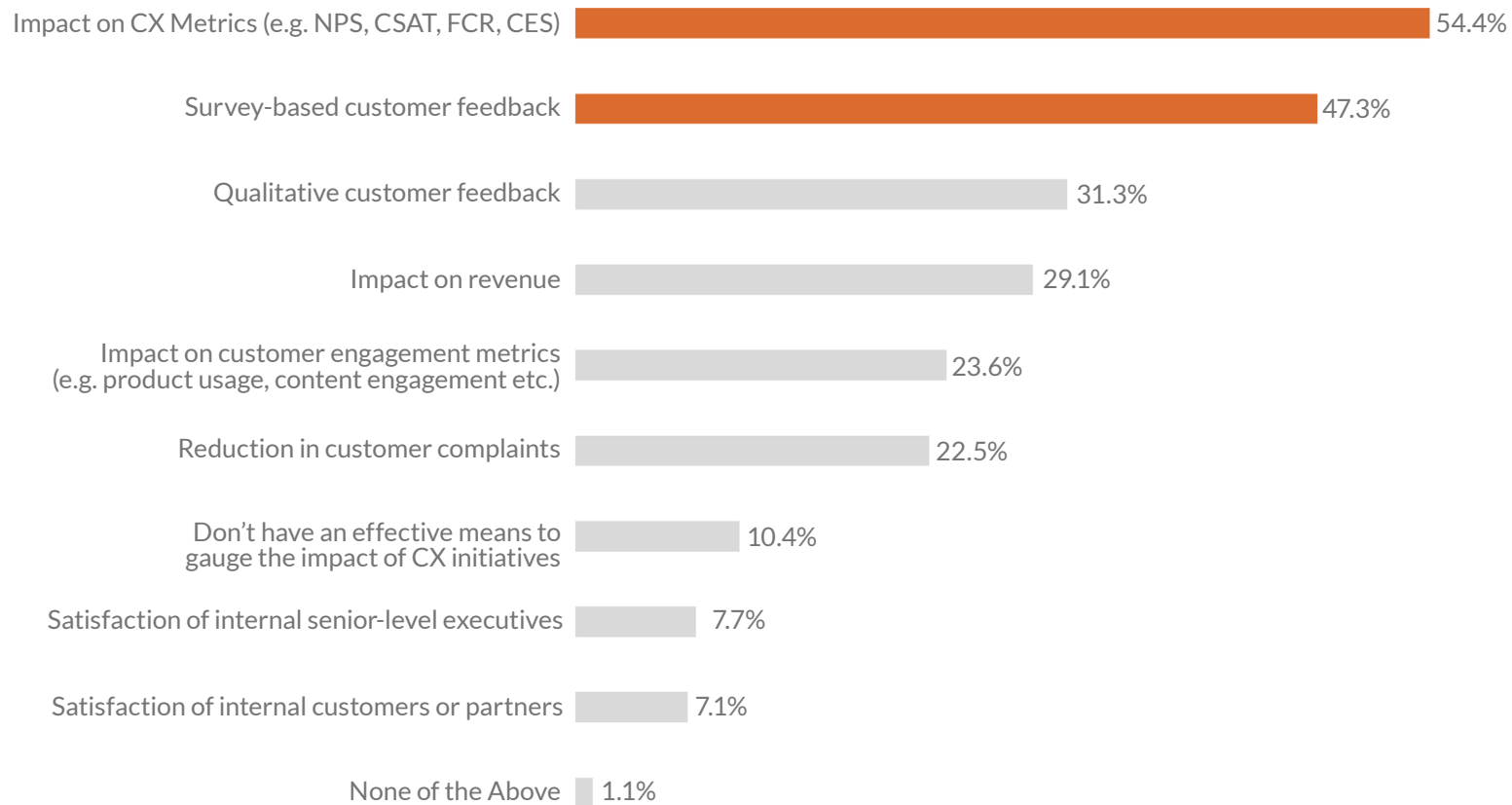
Which of the following metrics/KPIs are the most important to you? (Please select no more than three)



Appendix

Top Methods for Measuring the Success of CX Initiatives

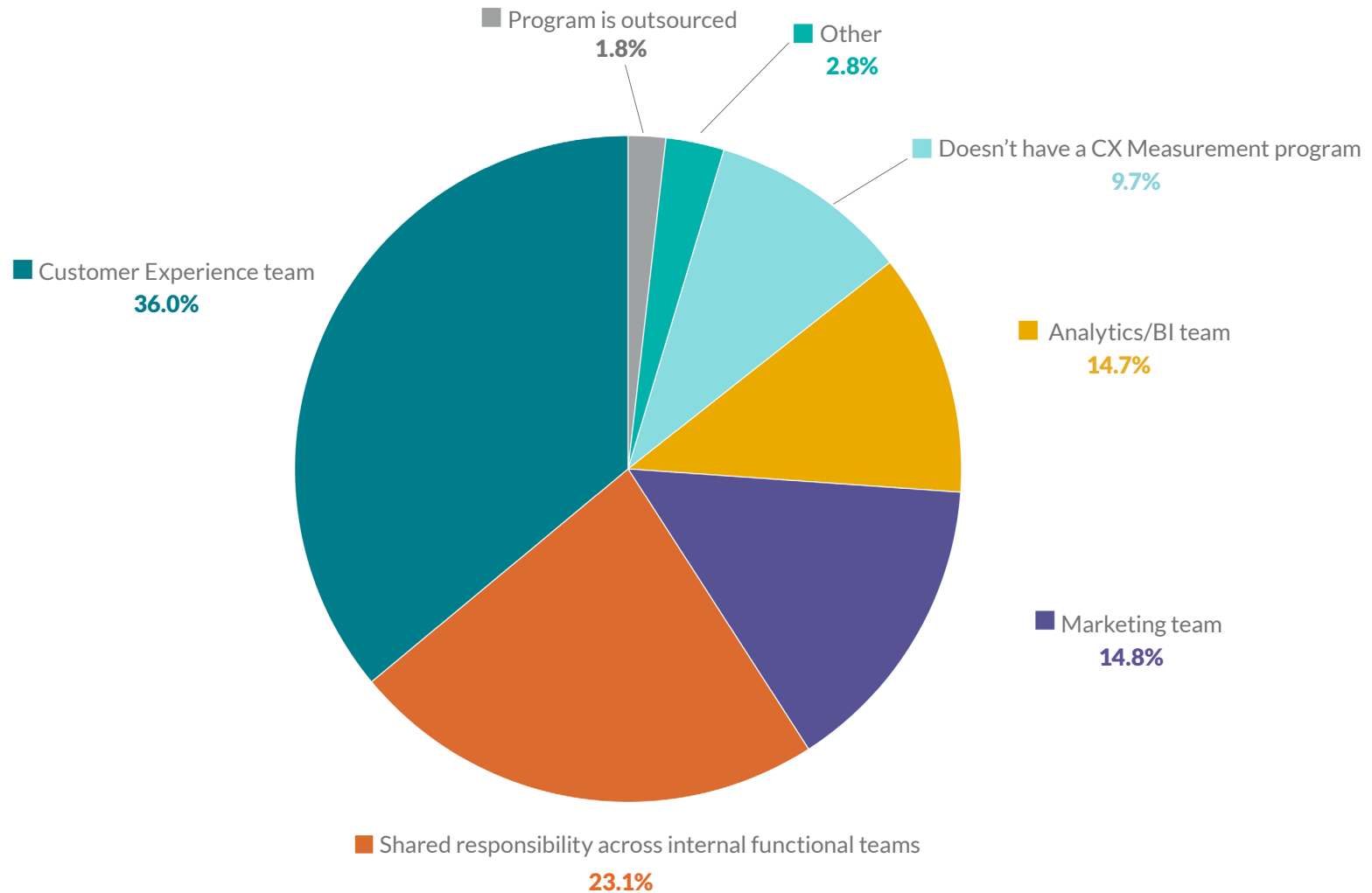
What are the primary ways your organization measures the success of CX initiatives? (Please select no more than two)



Appendix

CX Measurement Program Ownership

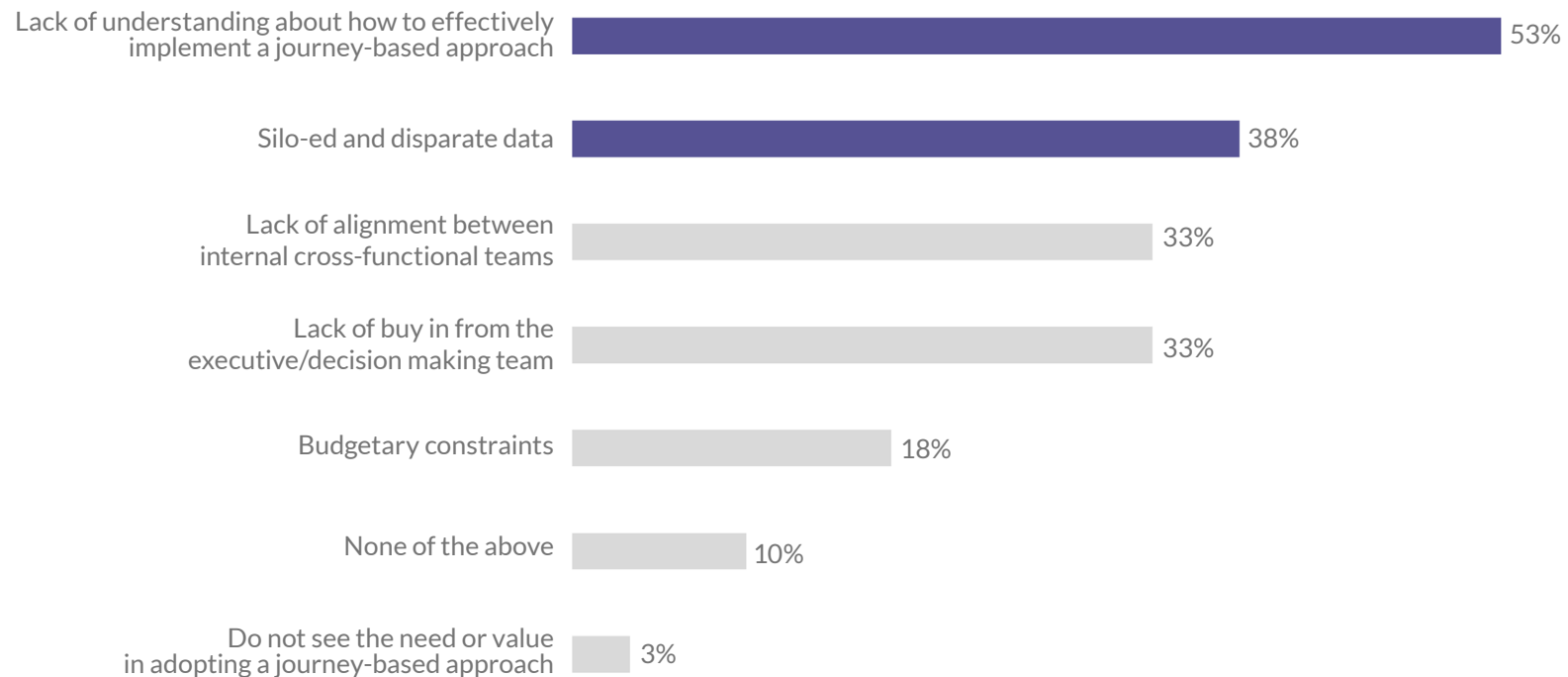
Who is primarily responsible for CX measurement at your organization?



Appendix

Top Blockers to Implementing a Customer Journey-Based Approach

*Which of the following would you consider to be the greatest blockers to implementing a customer journey-based approach?
(Please select no more than two)*



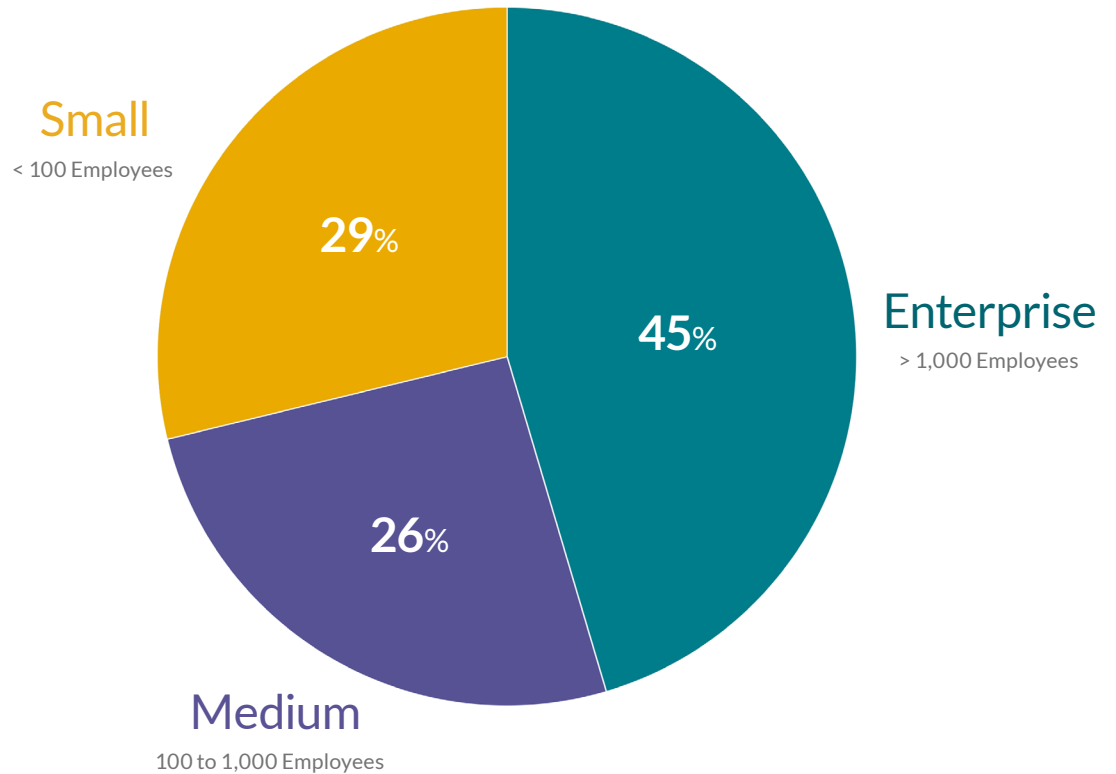
**Question only asked to the 9% of respondents who indicated that their organization is not currently taking a journey-based approach.*

Survey Demographics & Firmographics

INDUSTRY

Technology & Software.....	20.3%
Financial Services.....	16.4%
Consulting.....	13.7%
Telecommunications.....	9.9%
Retail & Ecommerce.....	6.7%
Advertising & Digital Agencies.....	5.6%
Healthcare.....	3.5%
Manufacturing.....	3.5%
Education.....	2.8%
Biotechnology & Pharmaceutical.....	1.5%
Government.....	1.5%
Media & Entertainment.....	1.5%
Consumer Packed Goods.....	1.3%
Non-Profit.....	1.3%
Energy.....	1.2%
Real Estate & Construction.....	1.0%
Transportation.....	1.0%
Hospitality.....	0.7%
Food & Beverage.....	0.4%
Agriculture.....	0.2%
Other.....	6.0%

NUMBER OF EMPLOYEES

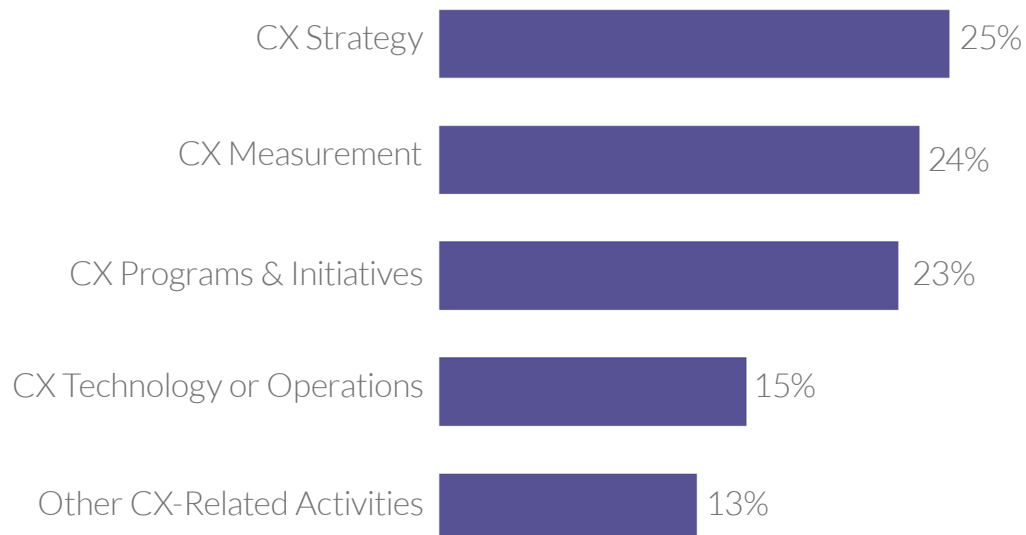


Survey Demographics & Firmographics

JOB FUNCTION OR DEPARTMENT

CX.....	33.1%
Marketing.....	14.4%
Customer Service or Support.....	9.1%
Customer Insights.....	8.2%
Owner/Founder/President/CEO.....	6.8%
Sales.....	6.4%
Analytics/BI.....	5.5%
Product Management.....	4.1%
Systems/Solutions/Operations.....	3.4%
IT.....	1.5%
R&D.....	0.8%
Finance.....	0.6%
Other.....	6.2%

CX ROLES AND RESPONSIBILITIES





Discover and optimize your customers' journeys

Pointillist makes it easy for CX, marketing and analytics teams to rapidly uncover actionable customer insights to dramatically improve customer experience and impact the KPIs that matter most to your business.

- Quickly understand customer behavior across all touchpoints & channels over time
- Uncover and predict high-impact customer journeys
- Drive personalized, multi-channel customer experiences

Unlike other customer analytics solutions, Pointillist lets you connect the dots between customer interactions and business goals in seconds, rather than days or weeks. By using machine learning to reveal high-impact journeys and predict likely behavior, Pointillist is like having a personal data scientist that's always on call.

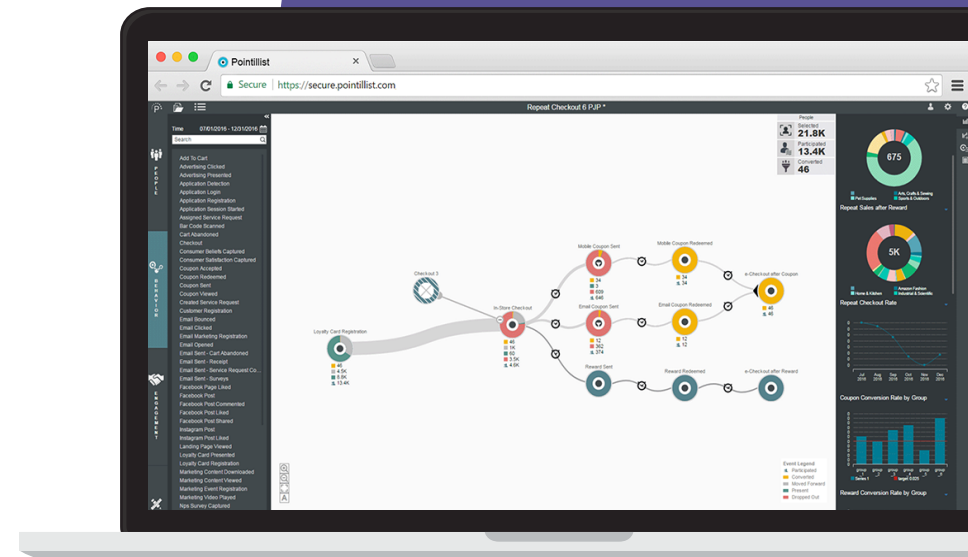
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