

# Align Customer Experience To Meet The Expectations Of Today's Multichannel Customers

## Table Of Contents

<b>Executive Summary .....</b>	<b>1</b>
<b>Businesses Are Competing To Satisfy Customers' Heightened Expectations In An Increasingly Complex Environment .....</b>	<b>2</b>
<b>Companies Spread Themselves Too Thinly Across A Plethora Of Initiatives To Improve Satisfaction And Loyalty .....</b>	<b>3</b>
<b>Companies Need To Improve CX Governance And Experience Design Practices To Create And Maintain Consistently Great Multichannel Experiences.....</b>	<b>5</b>
<b>Companies Are Adopting Approaches To Tackle The Challenge Of Next-Generation Customer Experiences.....</b>	<b>6</b>
<b>Key Recommendations .....</b>	<b>7</b>
<b>Appendix A: Methodology .....</b>	<b>8</b>
<b>Appendix B: Supplemental Material .....</b>	<b>8</b>
<b>Appendix C: Endnotes.....</b>	<b>8</b>

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## Executive Summary

Today's customers are digital customers. Forrester projects that the number of smartphone users in five European countries (the UK, France, Germany, Italy, and Spain) will be close to 230 million by 2017, and the number of people owning tablets will triple to 137 million in that time, creating an era of fragmented digital touchpoints.

In September 2014, Canon commissioned Forrester Consulting to evaluate the impact of emerging marketing and communications channels on business strategy and to inform marketing, IT, and finance executives of best practices for managing customer interactions across fragmented channels. To further explore this trend, Forrester fielded a survey to 300 business leaders in the UK, France, Germany, and Italy with responsibility for planning and executing the marketing life cycle or customer experience (CX) initiatives that span multiple touchpoints. The survey respondents were from companies with 500 or more employees.

**Fifty-one percent of business leaders cited customer satisfaction as a top metric when building a business case for emerging communications channels and technologies, but most companies said that internal business limitations are holding them back.**

From the responses of business leaders to our survey, Forrester found that organisations struggle to deliver a consistent customer experience across emerging channels. Companies need to build bridges across internal silos and create a shared digital strategy that aligns the organisation on the needs of customers.

### KEY FINDINGS

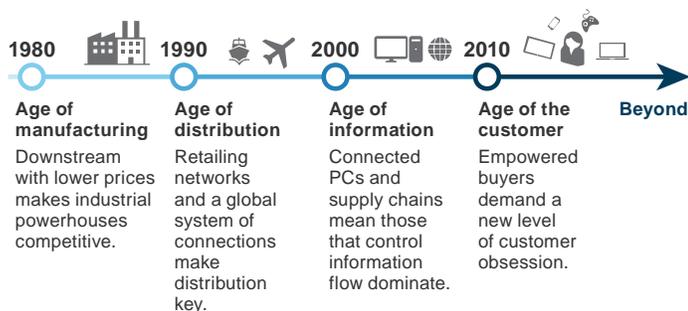
Forrester's study yielded five key findings:

- › **Companies are supporting an expanding number of channels to interact with customers, employees, and partners.** In addition to websites for business-to-consumer (B2C) and business-to-business (B2B) customers, companies face a challenge to maintain websites, mobile sites, and mobile apps for customers, employees, and partners such as suppliers and agencies. Inevitably, this is a step up in complexity from what companies were dealing with even five years ago. What's driving this? The need to meet customer expectations and improve loyalty.
- › **But companies are pursuing an overabundance of approaches to adapt to today's market imperatives.** When we asked which emerging practices were high priorities, companies replied "everything." This is simply unsustainable.
- › **The biggest challenges for firms that want to use emerging communications tools are internal limitations, followed by cost.** Particularly among firms with mobile sites and apps, the costs of maintaining channels are high. As companies seek to serve customers through multiple devices, they need new skills, better coordination, and tactics to overcome technical obstacles. Firms must make it a priority to hire and train staff with skills such as responsive design, user interface design, and mobile usability. These skills are needed to create great experiences over multiple devices.
- › **To meet customer expectations and keep pace with new patterns in the way customers communicate, firms must update their organisations' approaches to governance and customer experience design.** To be systematic about customer experience design, companies need to adopt new practices like co-creation to envision, define, and implement customer interactions that meet or exceed customer needs. To ensure proper governance of customer experience requires developing cross-functional steering committees and sharing goals.
- › **Companies must choose which channels and technologies to focus on.** Consumer adoption of emerging technologies and channels shows no sign of abating. Since no company has the resources to engage in every new channel, firms must keep track of their customers' behaviour and preferences to identify which channels to prioritise and where to devote their limited resources so that they are well positioned to engage with customers at the critical moments in journeys to discover, buy, and use products and services.

## Businesses Are Competing To Satisfy Customers' Heightened Expectations In An Increasingly Complex Environment

We have entered the age of the customer — an era in which technology has shifted the balance of power from institutions to their customers (see Figure 1). For both B2C and B2B companies, a focus on customer experience is the key to gain a sustainable competitive advantage. However, across all industries, the challenges of delivering a superior customer experience in this era are immense:

**FIGURE 1**  
Once Technology Favoured Companies, But Now It Empowers Customers



Source: Forrester Research, Inc.

› **Customer expectations are elevated.** Consumers today have multiple ways to access information, products, and social networks, making them more empowered than ever. All over the world, consumers are experiencing a mobile mind shift: the expectation that they can get what they want in their immediate context and moments of need.<sup>1</sup> Forrester projects that the number of smartphone users in five EU countries (the UK, France, Germany, Italy, and Spain) will be close to 230 million by 2017, representing 72% of the overall population, and the number of people owning tablets will triple from 47 million in 2013 to 137 million in 2017. Businesses that sell to other businesses (B2B) rather than consumers are also subject to this trend. Forrester's research shows that B2B customers today have little patience for what they perceive as a bad experience. Their expectations are set by the ease of use of consumer-based systems such as

Amazon.com and Google, and they are eager to air their grievances quickly via social media platforms where their comments will be heard by other potential buyers.<sup>2</sup>

› **There are more channels to support.** Five years ago, executives worried about optimising their websites for a few different browsers and a couple of different screen sizes. Consumer adoption of mobile devices means that firms must now consider a multitude of new factors — mobile screen resolutions, phone OS, mobile browser, handset, apps, and more. B2B marketers also face the need to support new channels and new kinds of buyer behaviour. This means, for example, developing content for PCs and mobile devices that buyers can “snack on” and easily share to spark discussions with colleagues. And while digital channels are increasingly important, legacy channels like events, printed materials, and face-to-face interactions are not going away. They play a vital role in B2B sales and marketing, since they help to build relationships. What this means is that companies find themselves forced to support a host of emerging digital channels as well as continuing to produce content for legacy channels.

› **The quality of customer experience depends on complex, evolving CX ecosystems.** A single group or department can't control customer experience or drive satisfaction upwards on its own, because customers' perceptions are influenced by the organisation's CX ecosystem.<sup>3</sup> Forrester defines the CX ecosystem as:

*The web of relations among all aspects of a company — including its customers, employees, partners, and operating environment — that determine the quality of the customer experience.*

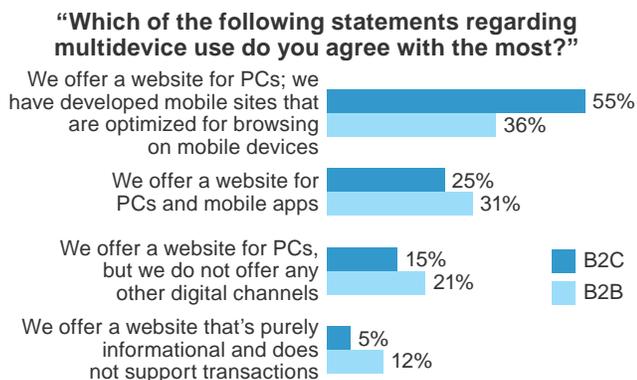
As companies grow, their structures, partnerships, and business models change. To systematically improve CX, firms must learn to marshal these complex ecosystems.

## Companies Spread Themselves Too Thinly Across A Plethora Of Initiatives To Improve Satisfaction And Loyalty

Forrester conducted a survey to understand the business priorities and obstacles that companies face. The survey results revealed that:

- › **Companies support a wide array of channels.** We asked our survey respondents about the touchpoints that their companies offered to customers, employees, and partners. The web came out as the most commonly supported channel (see Figure 2).

**FIGURE 2**  
B2C Firms Are More Advanced In Offering Optimized Sites For Browsing On Mobile Devices



Base: 137 marketing and customer experience professionals at the manager level or higher

Source: A commissioned study conducted by Forrester Consulting on behalf of Canon, September 2014



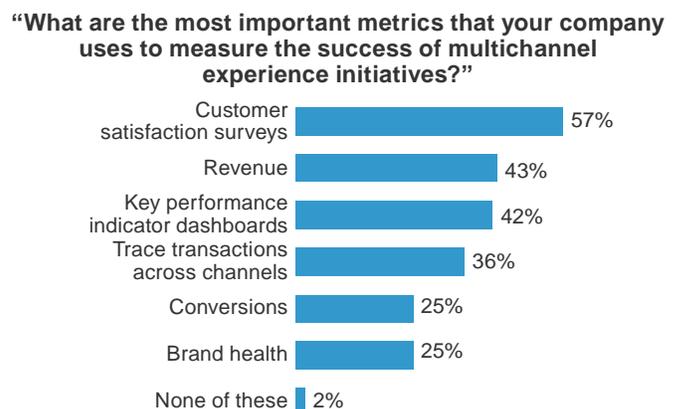
**B2B firms are more advanced in offering a website for PCs and mobile apps.**

Of the companies in our survey, 82% offer websites for consumers and 72% have B2B websites. However, far fewer companies support websites for business partners (55%) or employees (58%). The importance of direct interaction for B2B firms was evident, as 64% of companies said they support face-to-face meetings for B2B clients, and 65% cited events. When we looked at

this data by geography, Germany came first (88%) for websites for consumers, while the Nordics provide websites to partners (60%) and employees (69%) the most. In addition, a majority of B2C and B2B companies continue to support print media, putting print ahead of mobile sites and apps. Print may owe its enduring appeal to the familiarity and apparent value of tangible documents. It will not be displaced immediately by emerging digital media, but B2C companies, in particular, are forging ahead with support for mobile websites.

- › **Their top aims are to boost satisfaction and revenue.** To measure the success of their multichannel experience initiatives, 57% of leaders told us that they look to customer satisfaction surveys (see Figure 3). The next most important metrics were revenue, cited by 43% of respondents, and key performance indicator (KPI) dashboards, cited by 42%. This suggests that most firms recognise the importance of customer satisfaction as a driver of success in their businesses.

**FIGURE 3**  
Customer Satisfaction Surveys Are The Primary Metric To Measure Success Of Multichannel Experience Initiatives



Base: 300 marketing and customer experience professionals at the manager level or higher

Source: A commissioned study conducted by Forrester Consulting on behalf of Canon, September 2014

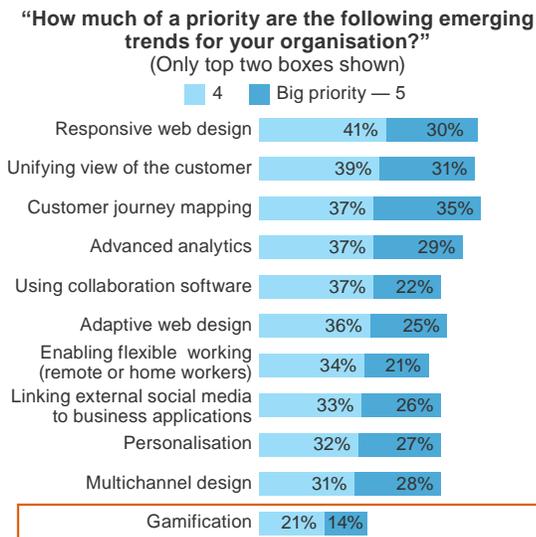
**Revenue, KPI dashboards, and tracing transactions across channels are also important metrics to measure the success of multichannel experience initiatives.**

One survey respondent described his company's goal for emerging technologies in the next one to three years as follows:

*"[Our goal is] to provide the best-in-class customer journey identified via big data analytics and create customer satisfaction and encourage brand loyalty."*  
— Survey respondent

› **But they're trying to move forward with an overabundance of initiatives.** Although leaders were clear about their overall objective to increase satisfaction, they were less certain about which tactics to adopt to get there. When we asked which emerging technologies and approaches were at the top of their agendas, our respondents claimed to be prioritising just about everything (see Figure 4).

**FIGURE 4**  
**Firms Are Pushing An Overabundance Of Initiatives**



Base: 300 marketing and customer experience professionals at the manager level or higher

Source: A commissioned study conducted by Forrester Consulting on behalf of Canon, September 2014

**Responsive web design, unifying view of the customer and customer journey mapping are the biggest priorities for organisations.**

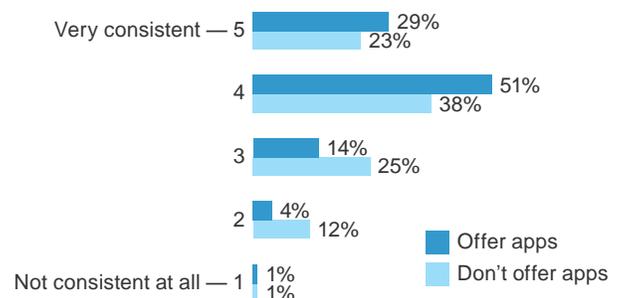
Over 70% of firms said that responsive web design, a unifying view of the customer, and customer journey

mapping were priorities or big priorities. The next most popular initiatives — including advanced analytics, technology for internal collaboration, and adaptive web design — were almost as highly prioritised. In fact, gamification was the only approach that a majority of companies didn't claim to be prioritising. But it's simply not possible to prioritise every opportunity. With so many initiatives competing for attention, it's inevitable that organisations are stretched.

› **Firms with a more complex channel mix feel the pain from internal limitations and costs.** We were interested to discover if the adoption of new channels created problems of inconsistency across channels. Encouragingly, however, firms that supported both mobile web and apps tended to do a better job of delivering a consistent experience than those with fewer channels. Among companies offering apps, 80% felt that they were able to offer a consistent or very consistent experience to customers, whereas only 61% of firms without apps could say the same (see Figure 5). However 45% of companies with mobile apps and 47% of companies with mobile websites cited cost as a significant challenge.

**FIGURE 5**  
**Companies With Mobile Initiatives Are Doing Better At Offering A Consistent Experience**

**"How consistent is the experience that you offer across different devices and platforms?"**



Base: 103 marketing and customer experience professionals at the manager level or higher

Source: A commissioned study conducted by Forrester Consulting on behalf of Canon, September 2014

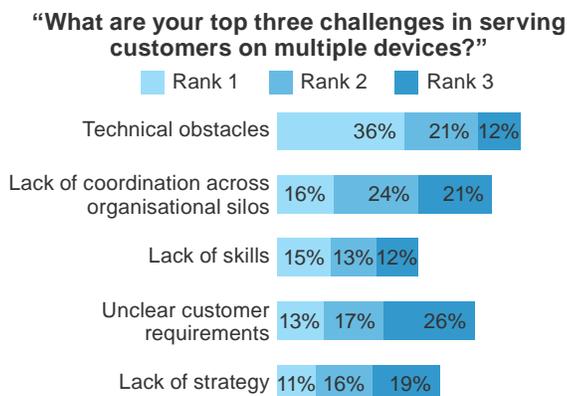


**Companies that don't offer mobile apps (61%) are doing worse at offering a consistent experience across devices.**

› **Technical challenges and poor coordination hinder success, with cultural resistance and lack of strategy at the heart of the problem.** When we asked what the top challenges to serving customers across multiple channels were, our survey respondents cited technical obstacles and lack of coordination (see Figure 6).

Companies need to collaborate well across silos, as no one department controls the technology agenda from end to end. Sixty-one percent of survey respondents highlighted lack of coordination across organisational silos as one of their top three challenges in serving customers on multiple devices. Respondents also reported that their marketing department is mostly involved with the implementation of new communications tools, while IT is involved with the identification of these solutions. But this separation of responsibilities won't work well if there is no internal alignment. When we asked about the root causes for this lack of internal alignment, 46% cited lack of budgets, 38% pointed to cultural resistance, and 29% identified a lack of strategy. This suggests that there is a lack of follow-through on companies' stated intentions to pursue customer experience as a business strategy, even among companies that have identified customer satisfaction as a top objective.

**FIGURE 6**  
**Technical Obstacles Are The Top Challenge In Serving Customers On Multiple Devices**



Base: Variable marketing and customer experience professionals at the manager level or higher

Source: A commissioned study conducted by Forrester Consulting on behalf of Canon, September 2014



36% of respondents listed technical obstacles as the primary challenge in serving customers on multiple devices.

## Companies Need To Improve CX Governance And Experience Design Practices To Create And Maintain Consistently Great Multichannel Experiences

In the days when digital meant running a website or two, companies could take a rather casual approach to managing their online and offline touchpoints. Today, however, customer experience has risen up the agenda as a top business priority, the mix of touchpoints has become more complex, and the need to collaborate closely with internal and external partners to design, build, and maintain multichannel experiences is greater than ever. Above all, companies need to avoid being held back by bureaucratic barriers and organisational siloes.

To address the challenges of breaking down the barriers between silos, companies told us that they:

- › **Develop cross-functional steering committees.** Over half of the companies surveyed said that they establish committees to break down internal barriers. Because companies operate across multiple business units, functions, and touchpoints, they need a cross-functional group to coordinate activities across the enterprise. These committees often have a mandate to hear the views of stakeholders within the company, and they use this input to develop and enforce quality standards. Steering committees also often serve to document and share best practices across the company.
- › **Share goals.** Half of the companies in our study pointed to the sharing of goals as a key approach to breaking down siloes. When companies set customer-centric goals, rather than basing them on the needs of each individual department, they become better aligned to improve the customer experience. To be effective, the processes for creating and adjusting goals and rewards must be flexible enough to take account of new insights or changes in the business.

› **Adopt co-creation.** A third silo-busting approach, used by half of the companies in our study, is co-creation of experiences with B2B customers. Co-creation is an inclusive, participatory approach to design that brings together people from across the customer experience ecosystem — including internal stakeholders, partners, and customers — to help synthesise research data, ideate possible solutions, create prototypes, and provide feedback. For co-creation to be effective, it should be integrated into an iterative design process that also includes steps for testing and measurement. By facilitating a collaborative approach, companies improve their chances of developing products and services that truly meet customers' needs and can be delivered by the organisation. The usefulness of this approach is not limited to B2B; it can be applied to consumer products and services, too.

## Companies Are Adopting Approaches To Tackle The Challenge Of Next-Generation Customer Experiences

We asked companies what stage they had reached with the introduction of technologies and approaches to support the next generation of customer experiences. Survey respondents told us that:

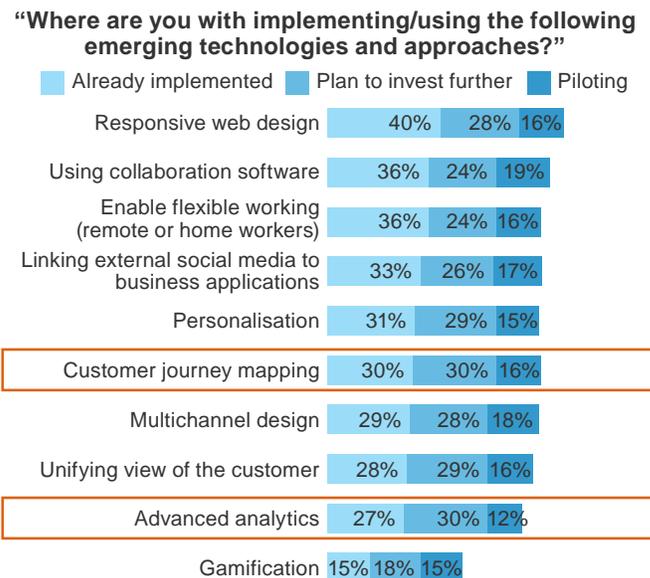
- › **Many companies have already invested in responsive web design.** Of the companies in our survey, 40% have already made investments in responsive web design, a design approach for companies that want their digital services to render properly on different screen sizes and device formats (see Figure 7). This trend appears set to continue, as 28% of firms plan to invest further.
- › **In the future, firms have plans to use advanced analytics and customer journey mapping.** Today, 30% of companies interviewed have already implemented customer journey mapping, and 27% have implemented advanced analytics. Furthermore, 30% of companies told us that they have future plans to adopt advanced analytics and customer journey mapping, methodologies that are still gaining traction today. Both techniques offer potential for helping companies to be more customer-centric. Advanced analytics enables companies to draw insights from multiple data sources to connect drivers of customer satisfaction with customer feedback and business outcomes, helping firms acquire and retain

customers, grow existing customer relationships, strengthen loyalty, improve cross-selling, and predict customers' behaviour. Customer journey mapping is a technique to create a visual illustration of a customer's processes, needs, and perceptions as he or she tries to achieve a goal. This foundational activity brings cross-functional groups together and helps them to see things from the customer's experience. Advanced analytics is the next generation of web analytics technology that allows companies to track customer behaviour across multichannel journeys and integrate it with enterprise-wide customer data, reporting, and data management.

*“One issue that prevents us from accomplishing future-state goals is lack of agreement between the internal teams.”*

— Survey respondent

**FIGURE 7**  
Firms Are Investing The Most In Customer Journey Mapping And Advanced Analytics



Base: 300 marketing and customer experience professionals at the manager level or higher

Source: A commissioned study conducted by Forrester Consulting on behalf of Canon, September 2014

**It's important to note that firms are catching on slowly to responsive web design: 28% plan to invest further, 16% are piloting, and the rest plan to pilot this year, later than this year, or have no plans.**

## Key Recommendations

Forrester's survey with business executives yielded several important observations. To compete in the age of the customer, companies must:

- › **Assess the current state of their customer experience, as perceived by customers, and the organisation's readiness to improve it.** Before starting on a journey to become more customer-centric, firms should set a benchmark for themselves to allow for future comparison. There are two aspects of CX that companies need to measure at the start of this journey. First, how do customers perceive their interactions with the organisation today? Second, how ready is the organisation itself to manage improvements in customer experience at a critical time?
- › **Build new structures that allow for cross-functional collaboration.** No single department owns customer experience, but most firms still try to tackle customer satisfaction within siloes. It's time to start building the structures — steering committees, cross-functional teams, and centres of excellence — that can enable the company to operate with processes, policies, and systems that align with customer journeys rather than processes, policies, and systems that primarily serve the needs of internal departments.
- › **Avoid “lockdown” governance.** While governance is critical to keeping CX initiatives on track, firms should avoid thinking of governance as a set of rigid rules and an enforcement regime. Governance needs to be an enabler rather than an inhibitor of customer experience innovation, so firms must build governance structures that allow stakeholders' voices to be heard and that are flexible enough to adapt to changing customer needs or other pressures.
- › **Force the organisation to discuss difficult prioritisation choices.** The expanding real estate of channels and technologies means that companies have infinite options. But no company can do everything. Depending on the finite resources available, companies will need to place their bets based on customer feedback and business strategies.

## Appendix A: Methodology

In this study, Forrester conducted an online survey of 300 organisations in the UK, France, Germany, Italy, Spain, and the Nordics to evaluate their approaches to planning and executing the marketing life cycle or customer experience initiatives that span multiple touchpoints. Survey participants included decision-makers in marketing and customer experience, including seniormost leaders (e.g., CMO, VP marketing, chief customer officer); directors (e.g., digital marketing director, customer experience director, customer services director); and managers (e.g., digital marketing manager, customer data manager, customer service manager, customer experience manager). Respondents were offered incentives as a thank you for time spent on the survey. The study began in August 2014 and was completed in September 2014.

## Appendix B: Supplemental Material

### RELATED FORRESTER RESEARCH

“The Customer Experience Ecosystem Redefined,” Forrester Research, Inc., June 26, 2014

“Brief: Systems Of Engagement Take Center Stage,” Forrester Research, Inc., May 16, 2014

“Digital Customer Experience Governance Demystified,” Forrester Research, Inc., December 30, 2014

## Appendix C: Endnotes

<sup>1</sup> Smartphones are now a clear majority of all mobile phone sales. Apple has sold more than 400 million iPhones so far. More than 60% of US online adults access interactive content on their phones at least daily. This phenomenon is spreading globally — among online consumers, 46% of the British, 42% of the Poles, 76% of the urban Chinese, and 77% of the urban Indians are using mobile devices to connect to interactive content at least weekly. Source: “Mobile Moments Transform Customer Experience,” Forrester Research, Inc., January 24, 2014.

<sup>2</sup> As most B2B interactions become “as-a-service,” the renewal milestone becomes mission critical for any B2B provider, and that business decision is heavily dependent on the customer’s experience in dealing with that provider. When considering whether to continue to consume a B2B service, buying companies are increasingly examining the full-service experience from their point of view and across their life cycle as a customer. Many procurement executives routinely include “ease of doing business” or even “cultural fit” into their strategic vendor scorecards. Source: “The Case For B2B Customer Experience Programs Is Revenue Generation And Renewal,” Forrester Research, Inc., January 25, 2013.

<sup>3</sup> The CX ecosystems that B2B marketers must deal with can be especially complex, since they have the difficult task of reaching multiple individuals at different seniority levels and roles across the companies that they sell to. Their customers’ problem-solving processes can be drawn out, so engaging them requires a consistent dialogue between marketers, sales, and client stakeholders. Source: “2012 Social Technographics® Of Your B2B Community Prospects,” Forrester Research, Inc., September 5, 2012.