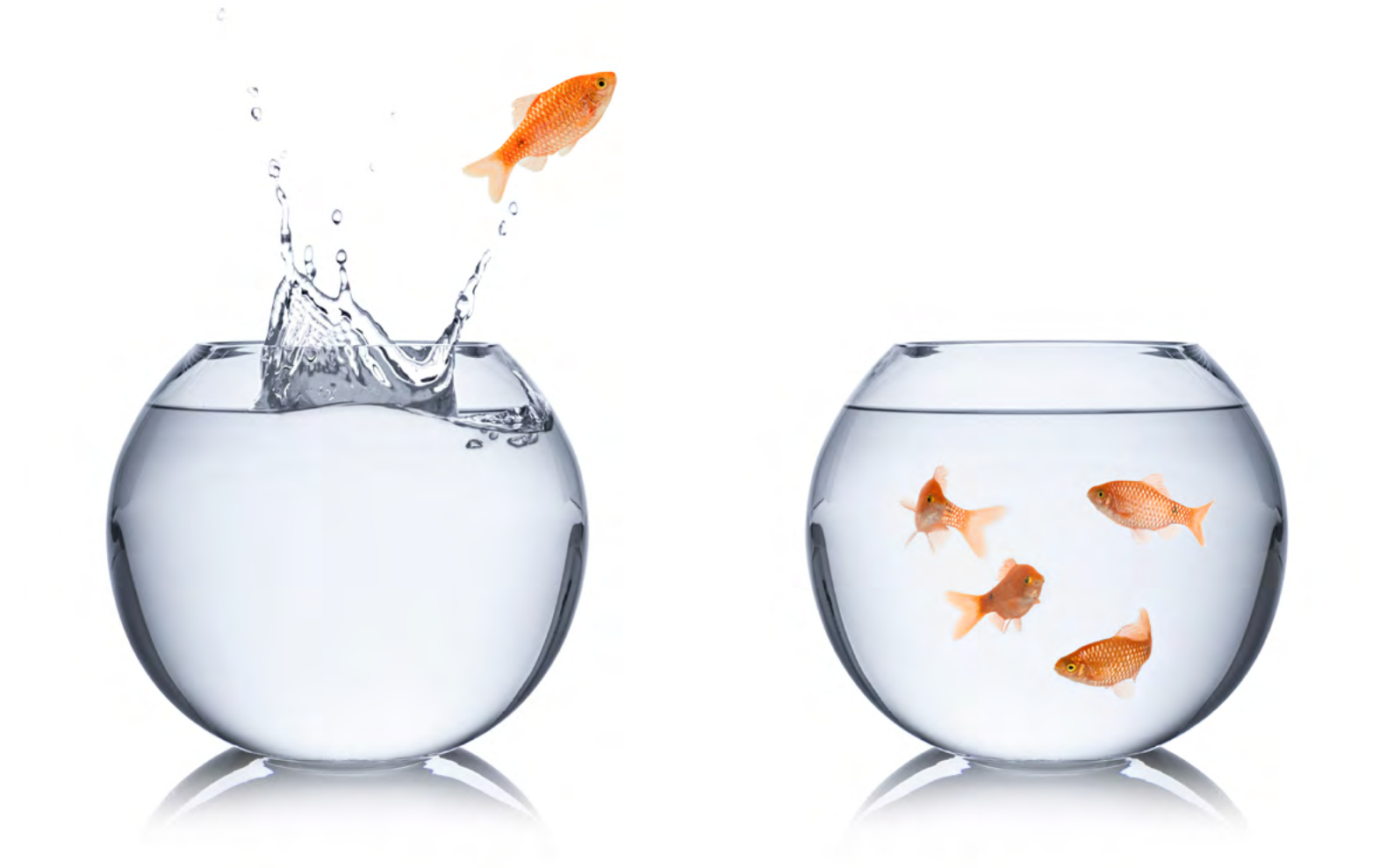
CUSTOMER EXPERIENCE
NETWORK



How to Tackle the Customer Experience Industry's Biggest Challenges

APRIL 2016 MARKET REPORT



About the Author



Zarina de Ruiter graduated with a BA in Journalism in the Netherlands, before embarking on a global journey, working in offices from North America to Australia, and landing in the United Kingdom in 2010. She worked for a magazine publisher and TV producer in London for four years, growing the digital presence and brand awareness of business and consumer titles, in addition to ad hoc work on print publications. She is the Editor of CX Network, where she produces a range of premium-level content for senior customer experience, service, insight, digital and marketing leaders. You can contact her on: **Zarina.deRuiter@iqpc.co.uk**

About the Contributors

This report includes insights and comments from the following customer experience leaders:



Danny Andrea, Retail Director, **Artisan du Chocolat**



Donal Crotty, Director, Customer Advocacy, **F-Secure Corporation**



Charlotte Dunsterville, Customer Experience Director, **Sure**



Jorge Mascarenhas, Head of Customer Experience, **O2, Telefónica UK**



Victor Milligan, Chief Marketing Officer, **Forrester**

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Introduction

Our *Global State of Customer Experience 2016*[1] report highlights key CX trends, challenges and investments for the next 12-18 months, as well as providing insights into the digital transformation of organisations, and who the industry leaders are.

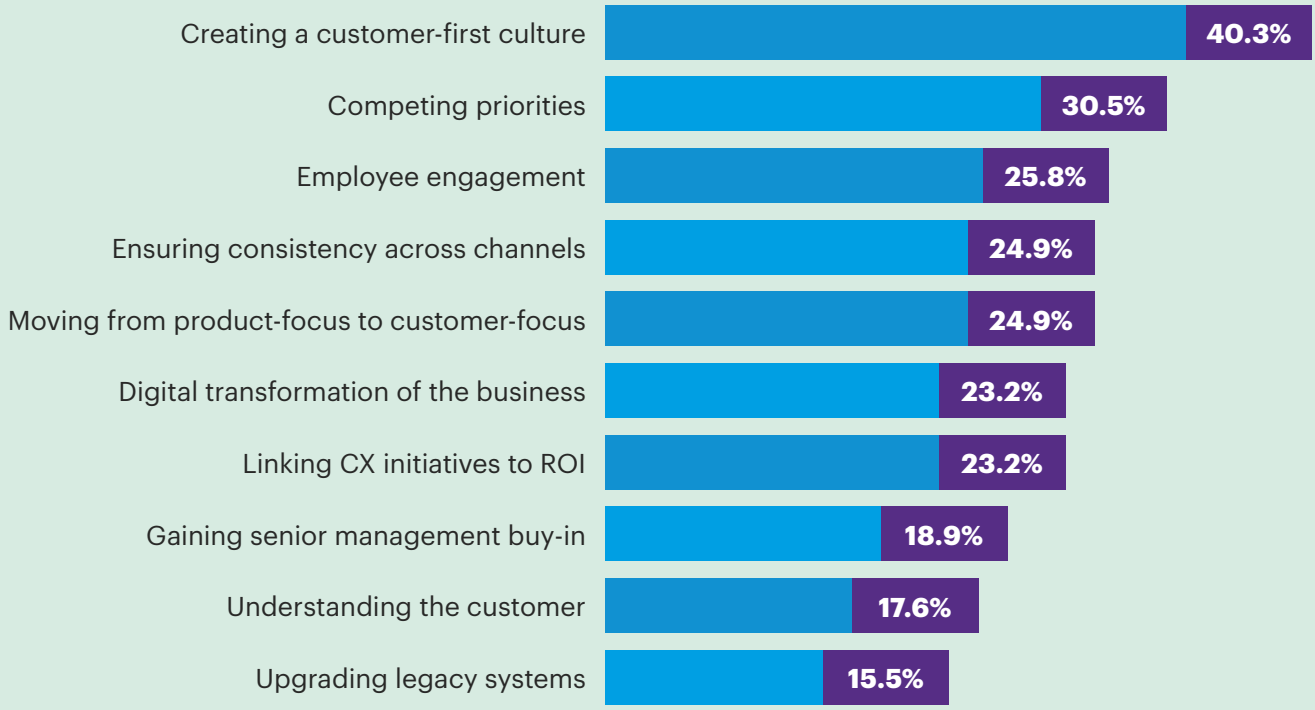
For this Market Report, we're delving deeper into the topic of customer experience challenges, as well as providing expert advice from the likes of the **CMO of Forrester**, the **Head of Customer Experience at O2** and the **Director of Customer Advocacy at F-Secure Corporation**. They discuss where these challenges align with their own experiences and share top tips for overcoming them.

About Our Research

In our annual global survey, we gauged the views of over 700 customer experience practitioners (65.7 per cent), solution provides (25.5 per cent) and analysts/bloggers (8.7 per cent) about that challenges facing customer experience, service, insight, digital and marketing executives today.

What are the biggest stumbling blocks for them when they want to optimise their CX strategies or move onto the next level in their digital transformation? Find out in the infographic below.

Top 10 Customer Experience Challenges for 2016



[1] http://www.cxnetwork.com/cx-experience/white-papers/the-global-state-of-customer-experience-2016

How to Tackle the Customer Experience Industry's Biggest Challenges



The main challenges that customer experience leaders are facing in their role in 2016 are **creating a customer-first culture, competing priorities,** and **employee engagement.** These all draw attention to the challenge of engaging people across the business to help them understand the value of CX.

Additionally, **gaining senior-management buy-in** (which is similar in vain to creating a customer-first culture, though focusing solely on the executive team and Board), **demonstrating ROI** and the **digital transformation** of the business, which while not at the top of the practitioner's lists still made the top 10. Demonstrating ROI and digital transformation made the top 3 of vendor and analyst predictions as well.



Download the Global State of Customer Experience 2016 to view the complete report and find out more about the differing views of practitioner, vendor and analyst respondents.

DOWNLOAD

What do these results concretely mean for organisations? We spoke to CX practitioners across different industries to compare our research with their experiences, and ask them what steps they're currently taking to tackle them.





How These Challenges Impact CX Practitioners Across Different Industries

Several of the practitioners we spoke to highlighted that the top challenges actually touch upon the same subject.

Danny Andrea, Retail Director of Artisan du Chocolat, explained: "It's all about creating that culture of putting the customer first, but that goes hand in hand with putting people first and I see that with the employee engagement side of things. It's all about looking after your people; those you employ and those that come and purchase from you. Without employee engagement you'll never have a customer-first culture because your employees are creating that experience and are the ones that are ultimately going to put the customer first. It's about the two together rather than putting them as separate entities."

Jorge Mascarenhas is the Head of Customer Experience at telecoms company O2, Telefónica UK, and he links the different challenges together from his own experience. He said: "We have quite a good success case so far when it comes to creating a customer-first culture. We have created Customer Experience Principles that we use to guide everything that we do. For example, we create a behavioural framework and check everything against the Principles – by doing that we work towards getting channel-consistency as well. The challenges are related because to create a customer-first culture you need to have employee engagement, and the outcome of those two creates consistency across channels."

> ***"It's all about creating that culture of putting the customer first, but that goes hand in hand with putting people first and I see that with the employee engagement side of things."***
>
> *Danny Andrea, Retail Director, Artisan du Chocolat*

When asked whether these challenges do in fact impact upon the customer experience strategy at their organisations, all practitioners we spoke to were in agreement. Some people were further along when it comes to tackling obstacles such as creating a customer-first culture and compositing priorities, but they are topics that are impacting most CX leaders.

"These are exactly our challenges," Donal Crotty, Director, Customer Advocacy of IT security firm F-Secure Corporation, said. Speaking more specifically about the challenge of creating a customer-first culture, he continued: "Within my team we're responsible for most customer interface post-sales and some engagement pre-sales. We try to lead by example and think about the importance and value for the customer; what does it actually mean? We also put in place metrics, for example NPS, to get resonance and a degree of customer understanding, but this hasn't been encompassed into the day-to-day life of most people within the company yet."

> ***"The challenges are related because to create a customer-first culture you need to have employee engagement, and the outcome of those two creates consistency across channels."***
>
> *Jorge Mascarenhas, Head of Customer Experience, O2, Telefónica UK*

Why is it that the customer is not yet engrained into the day-to-day lives of all employees? He explained: "It's difficult because of mind-set. When we started we were a great technology company and more recently we've built on that in becoming a great product and app company. And yet like most in our industry, we have yet to get to a place where we become a customer-focused company. We have yet to get to a place where we become a customer-focused company. The reality of people's lives is that they don't think customer. They don't purposefully try to ignore the customer, but they just don't have a natural



sense of how things affect customers and how the customer journey would look in context to that."

Moving from understanding the customer to truly engraining customer needs into every aspect of the strategy is something that not many organisations – if any – have truly mastered yet. However, some have implemented tactics that have elevated their strategy to the next level, including O2, Telefónica UK.

Jorge Mascarenhas discussed this by highlighting an initiative that has been successful for them: "We've trained a lot of people across the business to talk about the customer and customer-centricity, to really make sure that people understand how the customer thinks and what the difference is between customer segments. We also share case studies and run events. And when we launched the Principles, we gave everyone in the company a little box painted in the O2 colours which had the Principles printed on top of it. Inside was the gift and we said that the gift followed the Principles. We explained why, to really get that employee engagement and for our people to understand what the Principles mean."

> ***"In the corporate world, there is a general misalignment between the short-term pressure for numbers and creating that long-lasting relationship with customers."***
>
> *Jorge Mascarenhas, Head of Customer Experience, O2, Telefónica UK*

F-Secure Corporation is also taking steps to reach the next level of customer-centricity, in part by gaining that much-needed senior management buy-in to really create a focus on optimising customer experience and make it a strategic driver moving into 2017.

"There is now a belief and some degree of commitment, which is the most important thing," Donal Crotty said. "The executive team and Board need to buy into it and find the value for themselves first and then from there we can start the process of creating and enabling an environment whereby each of the different teams can appreciate what the customer means for them. Senior-management has been important to getting to that next stage. They come on board with changes later this year, and next year there will already be a degree of traction and it won't be something that has newly been invented. There will be a lot of things in place by which we can measure, understand, relate and train."

While progress is being made across organisations to overcome these top challenges, there are still a number of obstacles that impact even the most progressive of organisations. O2, Telefónica UK might be leading the way in creating a customer-first culture with their Customer Experience Principles, but competing priorities is still a major hurdle for them to overcome as well.

Jorge Mascarenhas explained: "This is a tricky one companywide, and it's a dilemma many customer experience people have. Organisations are focused on the short-term and the trading, but how does that relate to customer experience and making sure we have a long-lasting relationship with customers? The fact that we hit numbers on a quarterly basis might create a tension between something that might be more long-lasting, or require more investment, and won't yield trading numbers in the short-term – though it will in the long-term. In the corporate world, there is a general misalignment between the short-term pressure for numbers and creating that long-lasting relationship with customers."



Donal Crotty has a sound piece of advice for customer experience practitioners battling with the competing priorities within an organisation, and that is to look at which stakeholders you can influence over a period of time.

He explained: "Look at the people who are most open to understanding what it is you're going forward with, and then use them to leverage into the broader team. Rather than starting from the top, for example the CEO, think: 'So who at executive level will provide that sticky surface, that something to hold on to?' If you haven't already done that preparation work it will take a lot longer to be effective."

Furthermore, he said that you need to look outside of your organisation to understand that you're not alone. He continued on to say that there are no silver bullets to implementing the required changes, "it's not what I call a big bang. It's more an evolution than a revolution".

And remember, you cannot overcome these challenges and drive change by yourself. Victor Milligan, CMO of Forrester, said that it is a team sport. He concluded: "You have to have reckless leadership, metrics, budget and design; all those pieces have to be in play. Ultimately companies are going to be challenged to operate in a customer-led way. You can't have multiple speeds of your business; you can't have one function moving at 40 miles per hour and another at 20 miles per hour if they work together, because you will create incongruence."

> ***"Ultimately companies are going to be challenged to operate in a customer-led way."***
>
> *Victor Milligan, CMO, Forrester*

> ***"Look at the people who are most open to understanding what it is you're going forward with and then use them to leverage into the broader team."***
>
> *Donal Crotty, Director, Customer Advocacy, F-Secure Corporation*





15 Ways in Which You Can Tackle These Challenges

We asked our practitioner respondents what can help them overcome these cited challenges, and key answers include better case studies that demonstrate ROI and developing a cultural programme of change.

What Would Help You Overcome These Top Customer Experience Challenges?

- Executive leadership working together to agree on the key initiatives, determine how to fund, establish shared goals, define success measures and establish governance process.
- Better communication across different units of the organisation.
- Laying down the right metrics and measurements, and linking customer insights with operational excellence initiatives.
- Best practices and a better knowledge of what is available to support our needs.
- More case studies demonstrating ROI and CX value.
- Including CX goals for all employees.
- Reducing the number of strategic priorities.
- Increased budget and training.
- Developing a cultural programme of change.
- Investment in company culture and creating a single voice for direction and initiatives.
- Increased awareness at board level of the importance of customer experience.
- Clearer benefits communicated through by vendors.
- Being able to cut through the exploratory process and dive into solution mode.
- Leaders that will sustain learning and development.
- Continuous engagement with customers, stakeholders and higher management.



Quick Tips From Industry Leaders to Overcoming These Obstacles

How to create a customer-first culture...

"Treat your internal stakeholders as if they were your customers. We talk a lot about customer experience and making it fantastic for our customers, but we often forget that a lot of our internal stakeholders should be treated as customers too. We need to understand their needs, their wants, what resonates with them and how we communicate to them. One solution doesn't fit all; different stakeholders have different needs and want to be communicated to in a different way."

Jorge Mascarenhas, Head of Customer Experience, **O2, Telefónica UK**

On moving from a product-focus to a customer-focus...

"I would be cautious of shifting from point A to point B, I don't think people are shifting from a product-focus to a customer-focus because that infers that the customer is the only thing. What you are doing is embedding CX in all aspects of the business, including product development and management. I don't think you're substituting a whole company, you just have to bring CX into every aspect of the company. CX is not altruism, it is sound business strategy."

Victor Milligan, Chief Marketing Officer, **Forrester**

Have a clear vision...

"You have to believe yourself. It's going to be an uphill battle, therefore the number one tip is to recognise where you are and actually be clear on what it is that you want to achieve."

Donal Crotty, Director, Customer Advocacy, **F-Secure Corporation**

On the importance of employee engagement...

"Remember that it is the people around you that make the business. Look after your team and your team will look after your customers."

Danny Andrea, Retail Director, **Artisan du Chocolat**

How to ensure channel consistency...

"The first element is really about alignment, so it's making sure that retail, customer support and the website are all aligned and we're providing a consistent experience in each channel. In the second part we're going to focus on our online experience. We want to make it more convenient for customers and really simple to use, because we would like our customers to do all the easy s tuff online as that will free up the people at Sure to handle the more complex enquiries and really focus on giving a good experience. The last part is about social media; we manage many more customers through social media channels now and see it growing every month. We can be much more reactive as well; social media is the most important new channel."

Charlotte Dunsterville, Customer Experience Director, **Sure**



About CX Network

CX Network is an online resource for customer experience professionals providing value-rich content such as industry reports, customer trends, best practice, latest industry news, interviews with CX leaders and so much more! Our focus on the content that matters to customer experience leaders most, allows us to cut through the white noise that surrounds this ever-changing subject, and makes us the primary resource for CX executives to turn to.

By joining out network you will receive expert commentary, reports, and resources developed by and for experiences customer experience professionals and industry insiders. With a growing membership and global portfolio of events, CX Network ensures you keep your finger on the pulse by delivering practical and strategic advice to help you achieve your business goals.

Sign up for free to CX Network now!



2016 Market Report Calendar

Click on the bolded titles to view these reports

January
Telecoms Focus: How to Reduce Churn and Increase Customer Retention

February
Optimising Customer Complaints Management in Financial Services

March
The Changing Face of Customer Loyalty in Retail

April
How to Tackle the CX Industry's Biggest Challenges

May
Digital Marketing Trends

June
Top 10 Tips and Tricks for Optimising Outsourcing Tools

July
How to Capitalise on the Digital Disruption Impacting CX

August
What is the Role of the Chief Digital Office in a Saturated C-Suite?

September
Key Steps for CX Leaders to Gaining Senior Management Buy-In

October
Secrets to Delivering a Differentiating CX

November
Learn From the Winning Strategies of CX Leaders

December
Customer Experience Predictions for 2017

For more information about these reports email: CXSponsorship@iqpc.com

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