



THE NEW FRONTIER OF CUSTOMER EXPERIENCE

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What's driving change in Customer Experience in 2017 and how are Australian organisations responding?

The way in which customers and businesses connect and interact is undergoing a massive overhaul. Customers now have an abundance of channels at their disposal and can effortlessly communicate with - or about - brands like never before.

And since customer expectations are changing just as rapidly as the advances in technology, enhancing customer experience is an ongoing goal for majority of companies. According to Forrester, 72 per cent of businesses say that improving Customer Experience is their top priority in 2017.

So how are Australian Customer Experience leaders creating a unique customer experience? How are they measuring Customer Experience success? How are they creating a customer centric environment internally and externally to deliver an exceptional Customer Experience, to stay ahead of fierce competition?

Ahead of the **10th Annual Customer Experience Management 2017** we surveyed over 90 Australian Customer Experience leaders and professionals from different industries, to answer these questions and uncover what's driving change in customer experience and how Australian organisations are responding.

This report explores three major areas Australian organisations are focusing on to improve their Customer Experience strategies to deliver an exceptional customer experience, including:

1. Integrating digital and driving innovation across all Customer Experience functions
2. Measuring, mapping and quantifying the Customer Experience across all channels
3. Enhancing Customer Experience by creating and maintain a customer- centric culture

With customers more empowered than ever to choose when, how and where they get their services and products, 2017 is all about knowing your customers and employees inside and out to create a personalised experience that will boost brand loyalty and differentiate you from competitors.

We hope this report provides insight into how Australian organisations are achieving this in 2017 and beyond, providing a benchmarking tool for you to improve and evolve your own Customer Experience strategy.

The Customer Experience Management Team





SO WHO TOOK PART?

A quick snap shot of demographics

To better understand general trends in customer experience in Australia, more than 90 customer experience professionals were surveyed to compile this report in 2017.

Participants surveyed are from more than 90 different organisations across multiple sectors, to provide a complete snapshot of Customer Experience trends from a cross-section of industries. [Figure 1].

Where possible, survey results have also been benchmarked with past surveys conducted by Customer Experience Management in 2015 and 2016, to better understand the general trends in how Australian companies are approaching Customer Experience and how these trends have evolved over the past two years.

This survey also aims to uncover whether or not organisational size and reach has any impact on a company's Customer Experience strategy, by surveying companies of different sizes and structures.

Interestingly, more than 60 per cent of those surveyed are from organisations with more than 300 employees, followed closely by those with under 30 employees. This demonstrates that the results reflect a cross-section of businesses that are potentially at different stages of the Customer Experience journey. [Figure 2].

Figure 1

Industries

Government	17%	FMCG	3%
Banking & Finance	17%	IT	6%
Retail	10%	Manufacturing	1%
Telecommunications	12%	Consulting Services	8%
Health	7%	Media/Entertainment	4%
Utilities	5%	Construction/Transport	4%
Education	6%		

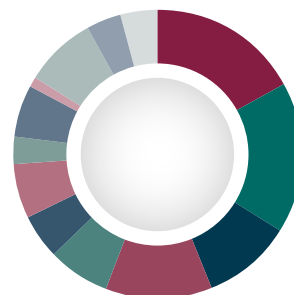
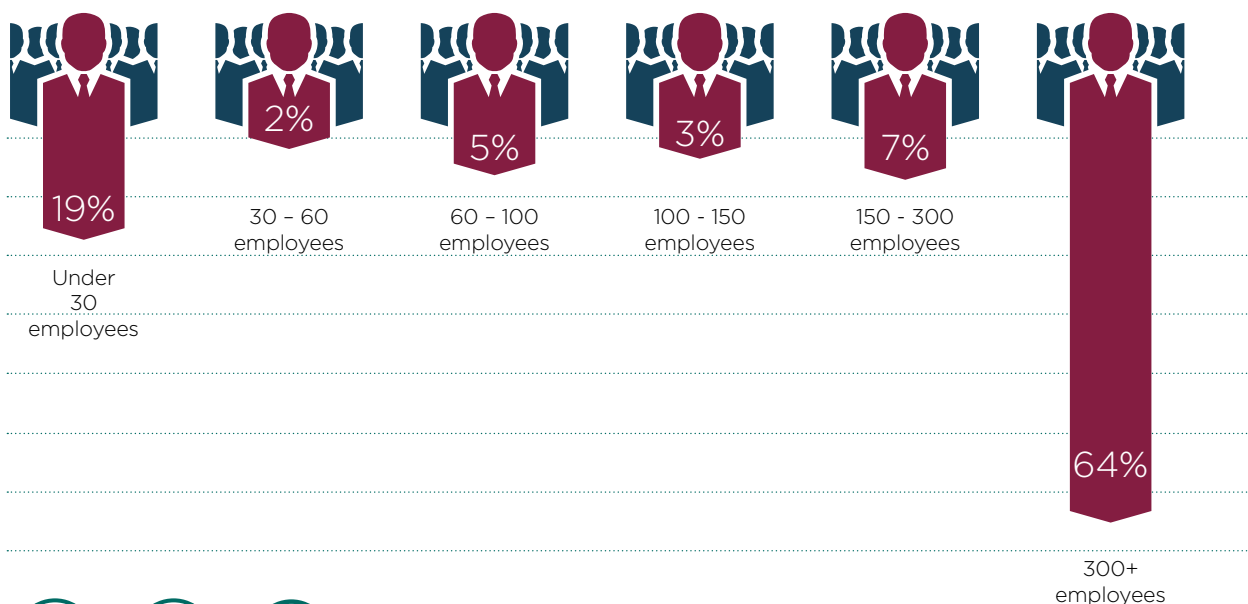


Figure 2

Businesses





DIGITAL REMAINS AT THE HEART OF GREAT CUSTOMER EXPERIENCE

The digital customer is here to stay, as the line between online and offline worlds continues to blur and new technologies continue to shape the way organisations are engaging with customers. Compared to just five years ago, it's nearly impossible today to connect with customers without using digital channels.

While the notion of a digital customer experience is appealing to many organisations, it seems that many are still grappling with how to best integrate digital into their Customer Experience strategy. Survey results reveal that majority of Australian organisations believe they have a long way to go to get the digital Customer Experience right, with only 14% very satisfied with their current approach to digital Customer Experience. [Figure 3].

So what's stopping organisations from transitioning to a digital Customer Experience effectively?

According to the survey results, challenges are far reaching and include anything from overcoming legacy systems and lack of internal buy-in, to the cost of investing in new digital platforms and converting digital interactions into actionable insights. [Figure 4].

An effective digital customer experience requires organisations to think differently about their customer engagement approach and think about how digital fits into the overall customer strategy. What's more, it also requires organisations to consider how to create a seamless and consistent experience across multiple channels.

Figure 3

How satisfied are you with your approach to integrating digital into your Customer Experience strategy?

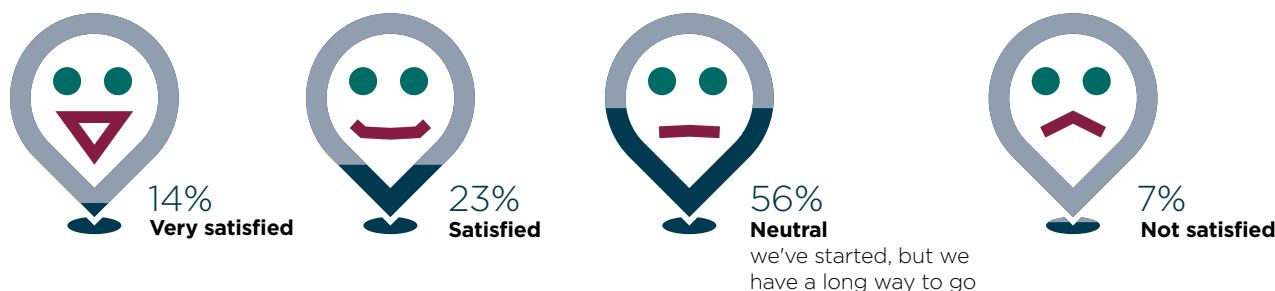


Figure 4



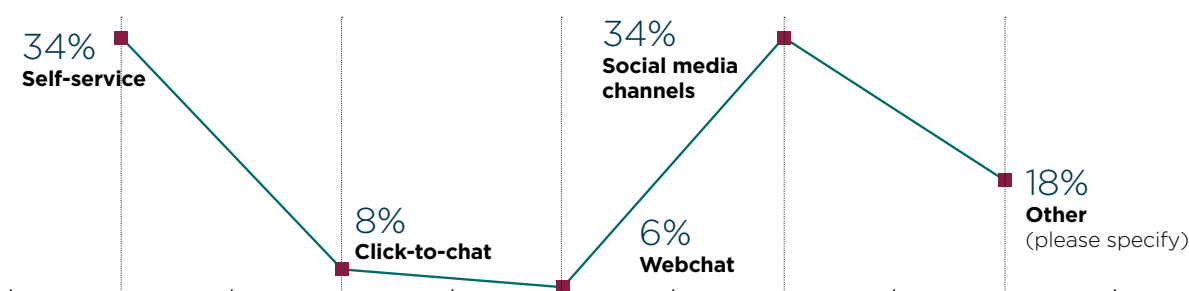


And when it comes to digital channels, it appears that social media and self-service are leading the way as the most effective customer-touch points. [Figure 5]. This comes as no surprise, as most customers today are time-savvy and part of a balanced experience is empowering customers to solve problems or issues themselves, without having to connect with an agent.

Interestingly, while click-to-chat and web-chat are also popular when it comes to creating an exceptional digital customer experience, mobile was also listed a common engagement platform as part of the 'other' option. [Figure 5]. With customers using mobile devices more frequently to access information about services, products and to make purchases, it seems mobile is the platform to watch in 2017 and beyond.

Figure 5

Which of the following platforms are yielding the best results in terms of improved customer experience/engagement?



The omni-channel experience

Part of providing a seamless experience across multiple channels means the ability to ensure a consistency of services and messages across these channels.

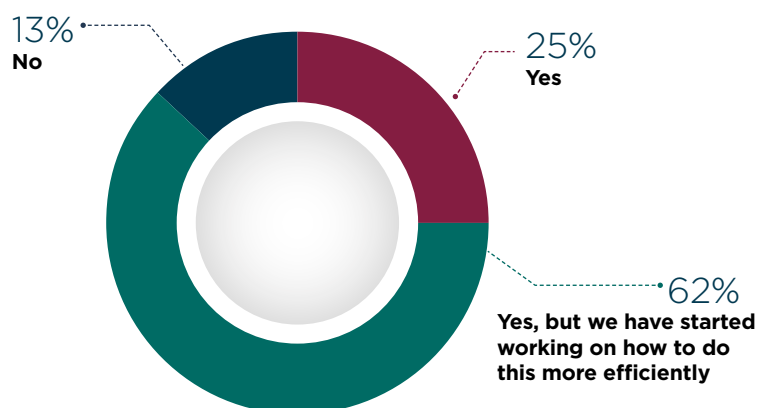
Moving closer to an Omni-channel customer experience means that a customer can solve their own problem completely effortlessly in any channel, without having to jump through hoops or overcome obstacles. What's more, a customer should be able to connect and engage with a brand on one channel, and have the same experience on a completely different channel.

For Australian organisations, it seems providing a consistency of services and messages to customers in an Omni-channel environment is still an on-going journey. Over 62% of respondents said that while they find this difficult, they are working on how to achieve this more efficiently [Figure 6].

So while Australian organisations might not be there yet, many are on the way to taking the customer journey into account when rolling-out digital channels to create an Omni-channel experience.

Figure 6

Do you find it difficult to ensure a consistency of service and messages to the customers across multiple channels?





MEASURING, MAPPING AND QUANTIFYING CUSTOMER EXPERIENCE

As customer behavior continues to evolve in a digital world, measuring and understanding what good customer experience looks like has become essential to achieving Customer Experience success.

From NPS to customer journey mapping, many businesses are now focusing on how to harness the power of customer data and other tools in order to create a unique and differentiated customer experience.

While there are a number of metrics available to map and measure the customer experience, it seems that Net Promoter Score (NPS) still remains the most favourable way to understand and measure customer satisfaction. Voice of the Customer (VoC) and Customer Satisfaction (CSAT) also remain popular methods organisations are using to measure and rate customer experience [Figure 7].

Interestingly when respondents were asked to rate their organisation's approach to Customer Experience measurement on a scale of most effective to least effective, majority rated themselves as somewhere in the middle. [Figure 8].

So while measurement seems to be an important area of focus for many organisations, it seems many organisations are still in the middle to early phases of being able to measure the impact of their Customer Experience strategy effectively.

Which is why it's no surprise that nearly half of the survey respondents are in the early stages of using customer analytics to improve their Customer Experience strategy [Figure 9]. While 28% of respondents are currently using customer analytics, predicting customer issues requires a palette of data sources and analytical approaches. What's more, customer data can come from a plethora of sources – from internal sources, to social media or customer feedback systems.

The survey results reveal that while many organisations are on the way to adopting customer analytics, they are still grappling with how to best analyse and turn data into actionable insights.

However with over two thirds of respondents saying they are using analytics or thinking about using it in the future, it is clear that data-driven Customer Experience will be critical to the future growth and development of organisations. Data driven Customer Experience not only enables organisations to better target and optimise for specific customers, it also helps to deliver consistency and context across various channels.

Figure 7

Which of the following Customer Experience metrics are you using to measure, map and quantify Customer Experience across multiple channels?

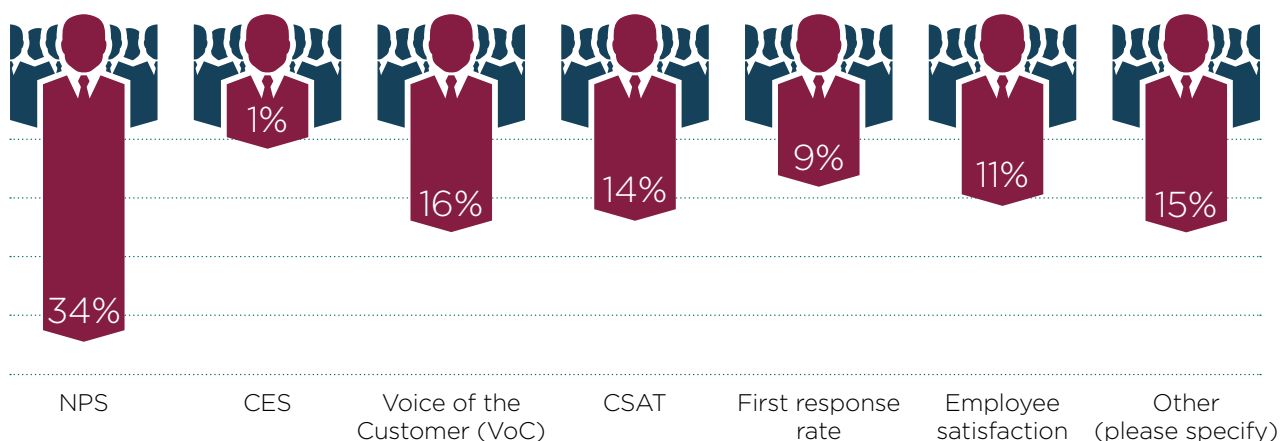




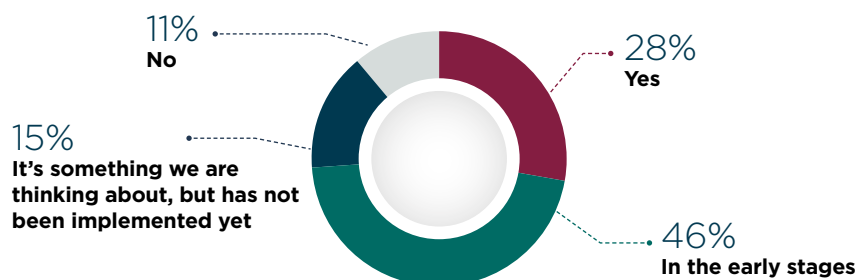
Figure 8

How would you rate your organisation's approach to measuring Customer Experience, with 5 being the most effective and 1 being the least?



Figure 9

Are you currently using customer analytics to improve your Customer Experience strategy?



PEOPLE ARE THE HEART OF GREAT CUSTOMER EXPERIENCE

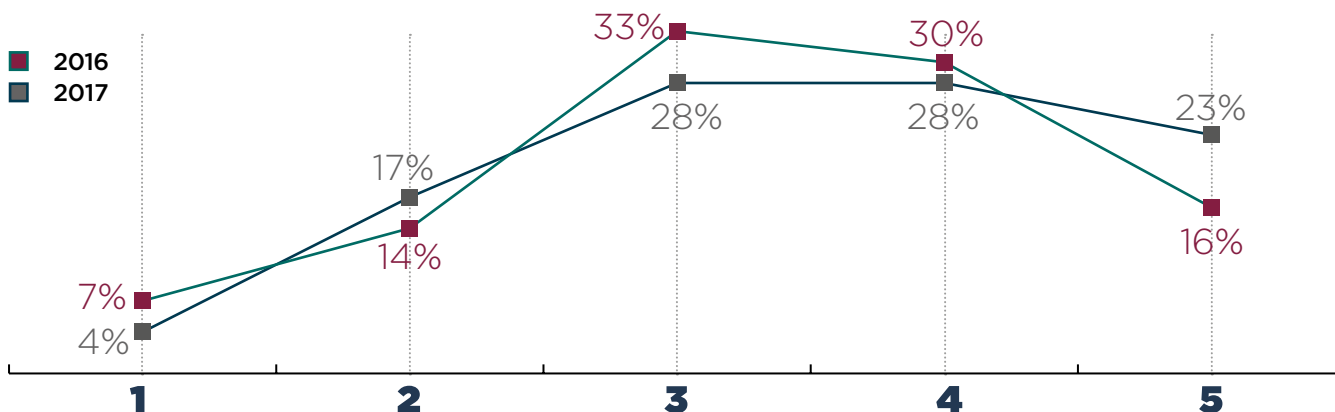
The quality of customer experience is only as good as the quality of the people providing it, which is why creating a customer-centric culture remains a key focus for organisations in 2017.

In an age where the customer is king, customer-centric companies stand out. They are more desirable for customers to do business with, but they are also more enjoyable places for employees to work. Which is why it is so important that the culture within a company offers similar experiences and values to what the customer experience is on the outside.

In 2016 16% of respondents rated themselves as having an excellent customer centric culture. In 2017 this figure has jumped to 22%, as organisations become more confident at how they are putting the customer first and at the core of their business. [Figure 10].

Figure 10

How customer centric is your organisational culture
(please rate with 5 being the highest and 1 being the lowest)





What's more, organisations listed building a customer centric culture as one of the top strategies which has seen a direct positive impact on Customer Experience in the last 12 months [Figure 11].

So how are organisations going about creating a winning customer-centric culture?

Survey results reveal that excellent customer engagement and ensuring staff have an understanding of what customer centricity means is essential to building a customer focused culture. This means communicating to employees that customer centricity is not just about offering great service, but is about offering an exceptional experience throughout the entire customer journey.

Some of the top strategies organisations are using to achieve this include reward and recognition programs, NPS for staff, sharing customer success stories and surveys and workshops. [Figure 12].

While creating a customer centric culture is front of mind for organisations, the journey is not without its challenges. According to the survey results, internal resistance to change still remains one of the biggest pain-points facing organisations when it comes to creating a customer centric culture, followed by balancing the digital experience with the in-store experience [Figure 13].

This shows that while businesses realise the importance of staff being engaged and bought into the shift towards customer centricity, many are still in the middle stages of the journey and grappling with how to best bring employees along the journey.

Figure 11

Have you seen a direct improvement in overall customer experience since implementing any of the below strategies in the past 12 months?

- Yes
- No
- We are not using this

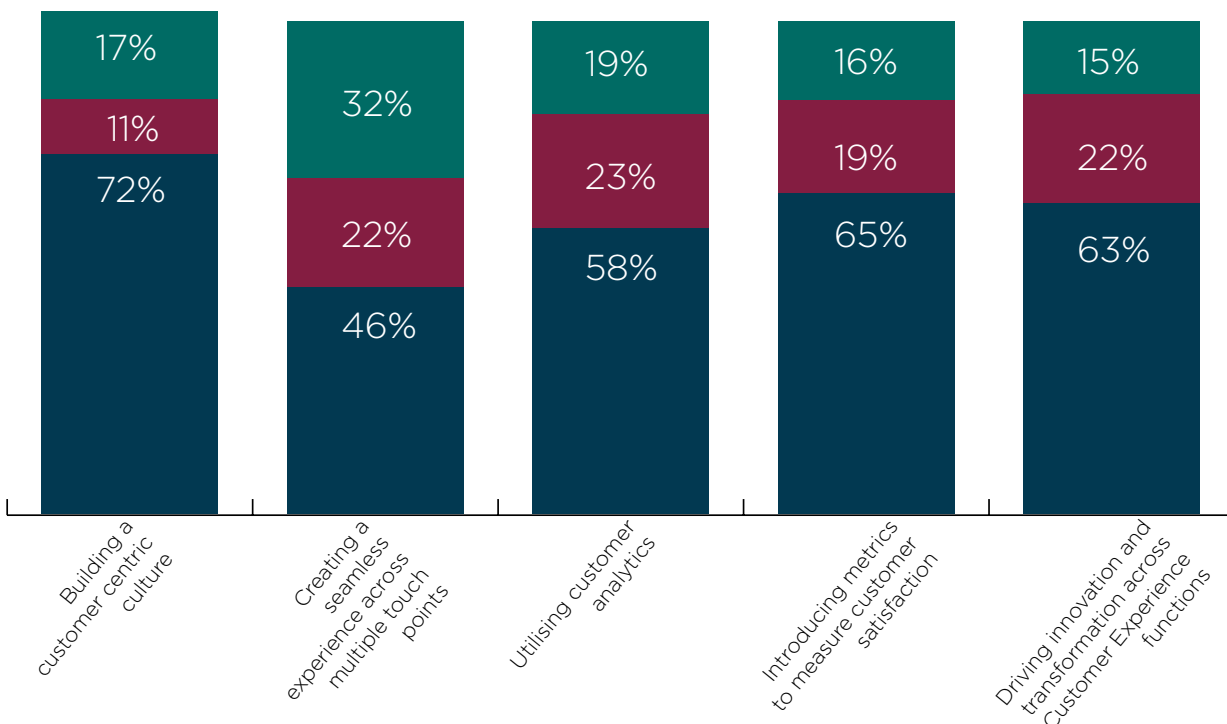


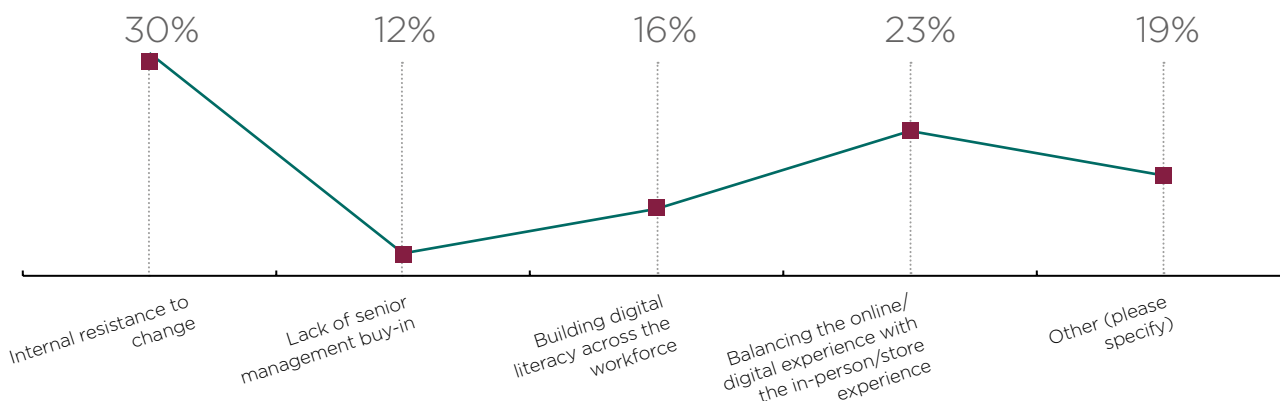


Figure 12:



Figure 13:

Which of the following options is most challenging when it comes to driving a customer centric culture?



Conclusion

Overall, the survey results reveal that in 2017 organisations are focusing on how to create more meaningful ways to connect with customers by creating a seamless omni-channel experience.

While optimising the customer experience is not a simple process, Australian organisations have begun to roll-out strategies to improve and measure Customer Experience success, from customer analytics to creating and maintaining a customer centric culture.

With customer preferences and attitudes set to evolve even more in the future, now is the time for companies to grasp some of the shifts in this space. To thrive in the future, businesses will need to adapt to the pace of change and improve agility. Effective leadership that recognises the potential of digital transformation and the Omni-channel revolution will be key to ensure relevancy and competitiveness in the Customer Experience landscape.

