

INDUSTRY REPORT

MAY 2022

FUTURE OF EXPERIENCE

RE-IMAGINING THE BUSINESS OF EXPERIENCE

A WORLD OF OPPORTUNITY AWAITS
ORGANISATIONS THAT ARE
INVESTING IN BX

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FUTURE OF ENTERPRISE

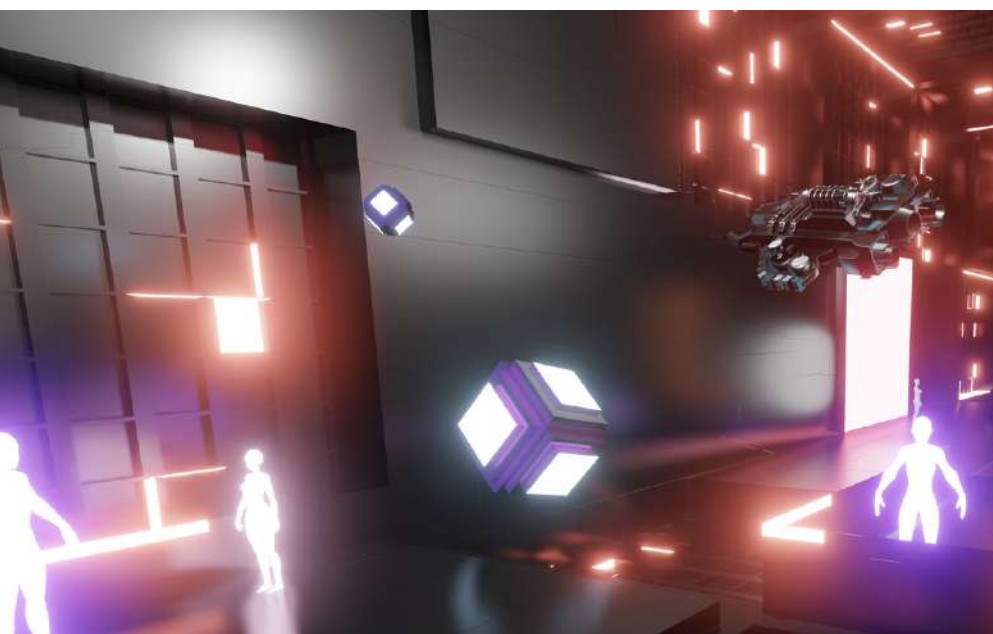
EXPERIENCE IS AT A CUSP OF A COMPLETE RENAISSANCE AND IS SEEN AS THE LEVER THAT WILL ALLOW ORGANISATIONS TO LEVERAGE CUSTOMER CENTRICITY TO DELIVER GROWTH.

The Middle East experience industry is undergoing an exciting renaissance – one that is energising brands to push beyond the realms of CX ideologies and wire their entire business around delivering exceptional customer experiences. Supercharged through hyper personalization, discovering and catering to unmet and rapidly changing needs, these experiences are forging growth for brands that are getting it right. In 2023 the theme for the Customer Experience Live Show will be “Re-imagining the Business of Experience.” Join us in the journey.

The events over the last 2 years have completely re-wired the way we do business, what we like, what we buy. Where we work, how we work and also how we engage with others. There are quantum shifts in consumer behaviour, and what was initially forecasted as counter intuitive strategy is now cemented in our everyday lives. The acceleration towards the digital ecosystem has been in momentum for some time but the last 2 years have accelerated brands to adopt it 360 in order to emerge as growth leaders.

Experience is at a cusp of a complete renaissance and is seen as the lever that will allow organisations to leverage customer centricity to deliver growth. No longer a remit of CX Leaders and CMOs, CX is now a boardroom agenda and priority given its omnichannel focus that cascades every single department in an organization. The CX Live 2022 survey indicated that 78% executives believe the voice of customer will determine future product and service development.

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HOW IS BX DIFFERENT TO CX?

BX LEADERS OUTPERFORM CX-ORIENTED COMPANIES IN YEAR-ON-YEAR PROFITABILITY GROWTH BY ALMOST 6.5%.

As per an Accenture report BX leaders outperform CX-oriented companies in year-on-year profitability growth by almost 6.5%.

Organisations must create a competitive difference by listening to the consumer. This is not easy, given most organisations are not agile in changing business processes, thus not able to keep pace with the dynamic consumer. The rate of change hitting businesses is significantly higher than what they have been accustomed to, thus, without a clear vision of excellence, success will be hard to accomplish. Business are dealing with fluid customers, who are expecting a 5 star hospitality service from their healthcare provider, food delivery service or fashion retailer. Thus, brand experience that was earlier limited to category is now omnipresent.



THE BIG QUESTION IS HOW DO YOU DELIVER BX?

THE KEY PILLARS FOR A SUCCESSFUL BX STRATEGY ARE:

Value obsession

Consumers are challenging brands to define their purpose and outline their values. The Ambercombie and Fitch case study clearly pushes top leadership to reconsider brand value and articulate their ideologies beyond their products and services. Over 80% consumers are now making purchases based on how closely a brand's value aligns with their beliefs. Business leaders cannot afford to slip, as any disappointments from their words or actions on a social issue will steer customers away.

Customer obsession

The top management team in any organisation should be entrenched in CX. The high reliance on digital to deliver growth has now encompassed product development, technology, supply chain, and finance and operations in the business of experience. This seismic shift opens up a whole realm of possibilities to create unimaginable growth.

Innovation obsession

CEOs are focused on maximizing profitability, however in the BX world, they must prioritise purpose and product innovation to deliver hyper-personalised experiences that accelerate growth. CEOs that get this right will be drivers of long-term growth and success for their organisations.

Brand obsession

To succeed in the new business environment, companies must deliver highly digitised, multi-channel business capabilities. The big question is how to create winning Business Experiences. How do you design key initiatives that connect customers with your brand whilst amplifying customer experiences? Brands must increase their listening quotient. Brand experience must be orchestrated around customer needs and wants, and personalized. There is still a large gap in this realm which must be addressed swiftly.

Employee obsessed

For companies to drive business outcomes, their leaders must engage with their employees on a human-to-human basis so that employees can engage with companies on a human-to-human basis.

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THE BUSINESS OF EXPERIENCE

THE KEY PILLARS FOR A SUCCESSFUL BX STRATEGY ARE CONTD:

Information and Data obsession

How well does the sales and product marketing department know the customer? Are we ensuring our product is available at defining moments for them? Ensuring you capture these micro moments in the sales process will be extremely important and this is where data will be gold dust. The access to structured data and extracting key analytics is vital to succeed.

BPM obsession

Quite often, in a haste to generate quick return, organisations have overlooked BPM. In the BX world this must be fixed. Seamless process management drives efficiencies and high customer engagement.

Lastmile obsession

The growth in new customer acquisitions as a result of the digital pivot has seen organisations benefit from new revenue streams and increased engagement. This has also bought the focus on last-mile delivery and its importance in retaining customers. 83% of people cite that the number one service an online brand can provide is an accurate delivery time of their parcel. This comes as no surprise as providing real-time visibility on the order status increases transparency and helps build trust with customers. Supply chain management and last mile integration are vital.

Product obsession

Analysing product evolution to meet the changing needs of the customer to enhance CX is the need of the hour. Business leaders must look at implementing next-gen self-service functionality, capturing real-time information to accurately predict customers persona and deliver a personalized experience by ensuring pricing and new products respond to the changing needs.

Technology and data obsessed

Technology will play a key role in shaping the business of experience. Thoughtful use of data, analytics, and technology can help deliver actionable, tangible experiences that can turn into relationships. Customer success is all about building a lasting relationship with your customers and they ensure they are able to achieve their desired outcomes. Companies that can re-engineer their experience strategy will have a string competitive advantage, that will be evidenced through higher revenues, profits, customer, employee and investor satisfaction.

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48%

Companies cite an increased drive toward AI and Intelligent Automation to enhance customer experience. *CX Live Intelligence Report 2022



WHERE DO YOU COMMENCE THE BX TRANSFORMATION?

42%

COMPANIES ARE RE-EVALUATING VOICE OF CUSTOMER PLATFORMS.

*CX LIVE INTELLIGENCE REPORT 2022

The new technology-driven CX model requires an extensive amount of investment and internal alignment. Organizations where the CX leaders and top management are inspirational break the barriers to delivering great CX. The leaders inspire their people, customers, and suppliers and set the culture of the organization to be customer attentive and commercially inclined.

Leaders who inspire, motivate, and cultivate a CX culture within the organization set themselves apart. They like to benchmark their customer experience with the best organizational environments.

One must remember that CX should deliver ROI but must not be seen as profit-oriented. Customers and related stakeholders no longer respect if an organization brings in expertise and then cuts back on resources to cover the asset or pushes for revenue growth to offset the cost.

Thus, prior to investing in technology and resources, it is important these obvious questions are reflected upon to create a customer-centric organization. The answer to these questions does not redefine the right or wrong choices but these attributes will help figure out the best scenario for your organization. Beforehand, business executives should be honest and embrace the question of “Do you want to see how you compare to industry benchmarks?”, “Where are you behind with compliance?”, “How likely will customers or is word of mouth working?”, How is the customers experience with products and processes?

Companies must reposition themselves as “listening organisations” moving away from traditional customer insights to being powerhouses of data segmentation, customer behaviour and data signals. They need to draw insights beyond traditional market segmentation to ensure the research is contextualized, unified and predictive based on consumers needs and situations. Companies can no longer rely on annual segmentation studies, they must capture the pulse organically and quickly. The key to growth will be getting the information with speed, accuracy and contextualisation to ensure the business can leverage it for meaningful gains.

Innovation in methodology and approach is required to capture contextual data, primarily by discovering customer’s unmet needs.

Excellence in experience business can be achieved by continuously listening and learning from your customers. Innovative approaches to gather rapid and continual qualitative and quantitative insights about user groups and customers, and inviting them to share their perspectives allows organisations to shape their future.

INNOVATION IN THE BUSINESS OF EXPERIENCE

56%

BUSINESS LEADERS SAY THAT CUSTOMERS EXPECT THEM TO CONTINUOUSLY INNOVATE WITH PRODUCTS AND SERVICES THAT DELIVER VALUE

Future focused organisations are increasingly evaluating business operations that back customer experience. Brand management is no longer about product appeal, marketing, advertising or customer service. The new age customer wants seamless service delivery, thus logistics, inventory, invoicing is now encompassed in the new revenue and customer experience modelling.

Organisations are putting brand health under the microscope as it is a true metrics for overall organisational health, given how critically it can affect revenue growth, operational performance, investor perception, and new product development. Brand health is being tracked and evaluated not just by CMOs but also CROs, CFOs and CEOs given it is very closely tied to the organisation's risk profile.

Thus, experience innovation is about problem solving in a way that creates value. It is not a strategy that just crops up and is forgotten by the end of the year. It is also not about optimising CX touch points. It is re-imagining the entire business process to connect with human needs with the customer as the anchor. The drawing board of experience innovation starts with discovery and results in hyper-personalized and reliable products and services that deliver value. The value is the key determinant for growth, and the more value business leaders can create through experience innovation, the higher their chances of becoming category leaders.



RETHINKING YOUR ORGANIZATION STRUCTURE

EVERY NEW INTERACTION THAT A BRAND MAKES WITH A CUSTOMER IS A MOMENT OF TRUTH THAT MUST BE MEASURED AND EVALUATED THEREBY STRENGTHENING OR WEAKENING THE BRAND'S HEALTH.

Brand health is an extremely important metrics of a BX program. In order to be a category leader, maintaining a strong brand health is extremely important, thus it is important to measure and track brand health, and fix it early on if it is performing poorly. Thus, the C-suite must be completely aligned to the brand health and corporate goals. Thus, a siloed approach will hinder growth. Front office and back-office functions must be connected and aligned to deliver operational efficiencies and a seamless customer journey.

Most businesses still operate with different functions and functional heads, the customer and channel touch points vary as do data capture, process management and investments. For an impactful experience business, fracture points must be addressed and complete alignment must be achieved, even if it requires a re-think of the organizational structure. Because experience must be everybody's business.

INSPECTING THE HUMAN, TECH AND DATA CONNUMDRUM

76%

ORGANIZATION HAVE COMPLETED A PROOF OF CONCEPT OR HAVE AN ACTIVE TEAM WORKING ON METAVERSE. *CX LIVE INTELLIGENCE REPORT 2022

With the digital pivot, the complexities of human, tech and data a are overwhelming most business leaders. Yet, when a business is able to supercharge its customer insights, technology and data it can unlock momentous capabilities that deliver new revenue streams and growth.

As consumer experiences evolve and continue to evolve businesses must explore exciting new horizons like the metaverse and digital twin to evolve and grow.

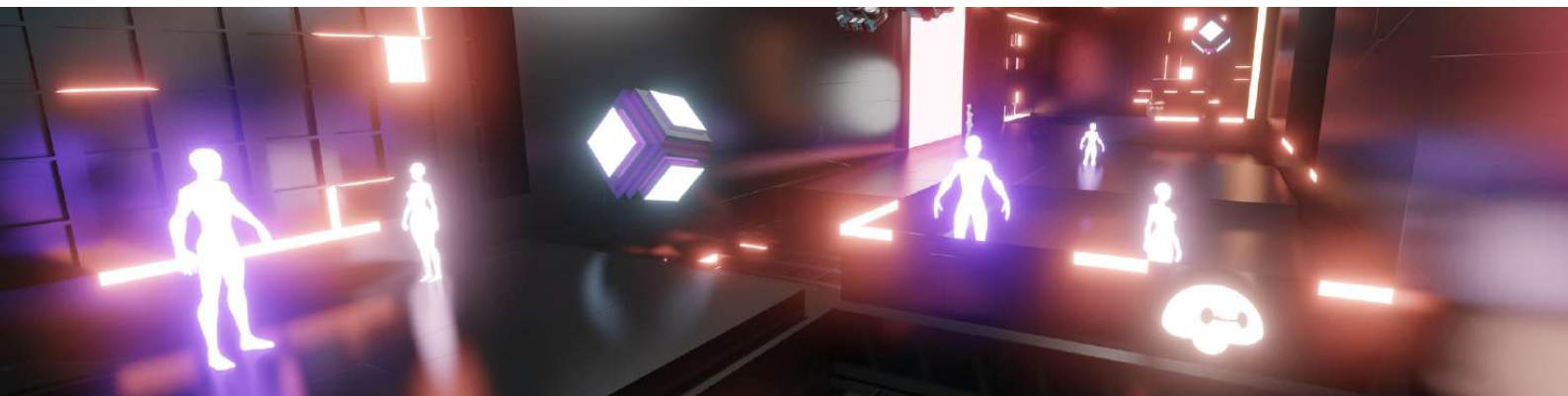
Investments in an agile technology infrastructure, cloud experience managements are all vital layers in the technology stack. Continued investments in data and AI helps unlock opportunities. Ensure all your technology investments are delivering value to the customer, ensure your technology stack is addressing experience goals.

CONCLUSION

A world of opportunity awaits organisations that are investing in BX. Whilst it is a significant realignment, it is one that will be a growth drive for your business for years to come.

Researched and Developed by Customer Experience Live.

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JOIN US FOR THE CX LIVE SHOW 2023

1400 KEY DECISION MAKERS UNDER ONE ROOF

