Building the Customer Experience of the Future

The Savvy CMO Survey 2023

Contents

The Savvy CMO Survey

This report is the third instalment in our four-part Savvy Chief Marketing Officer series, which explores how chief marketing officers (CMOs) can implement an efficient and effective customer experience.

To understand how organisations are responding to new challenges, we polled 200 CMOs in the U.S. & UK. These individuals work at organisations with a minimum global revenue of $100 million (£83 million), and an annual marketing budget of at least $10 million (£8.3 million).

To add a qualitative lens to the findings, we interviewed several senior brand-side marketers to uncover how organisations are attempting to drive marketing innovation with agility and speed. We'd like to thank our contributors:

Andrew Clayton

Group Head of Customer Experience at Close Brothers

Teodora Maracineanu

Head of Marketing at Electrolux

Who did we ask?

We surveyed 206 CMOs across the UK and the U.S.; 104 in the UK and 102 in the U.S. Below is a breakdown of their organisational global revenue and annual marketing budget.

Survey conducted from 17 June to 1 July, 2022.

Global revenue:
- $100-500M: 23%
- $500-1B: 32%
- $1-3B: 27%
- $3-5B: 14%
- $5B+: 4%

Annual marketing budget:
- $10-50M: 8%
- $50-100M: 27%
- $100-500M: 45%
- $500M+: 20%

■ GLOBAL REVENUE

■ ANNUAL MARKETING BUDGET
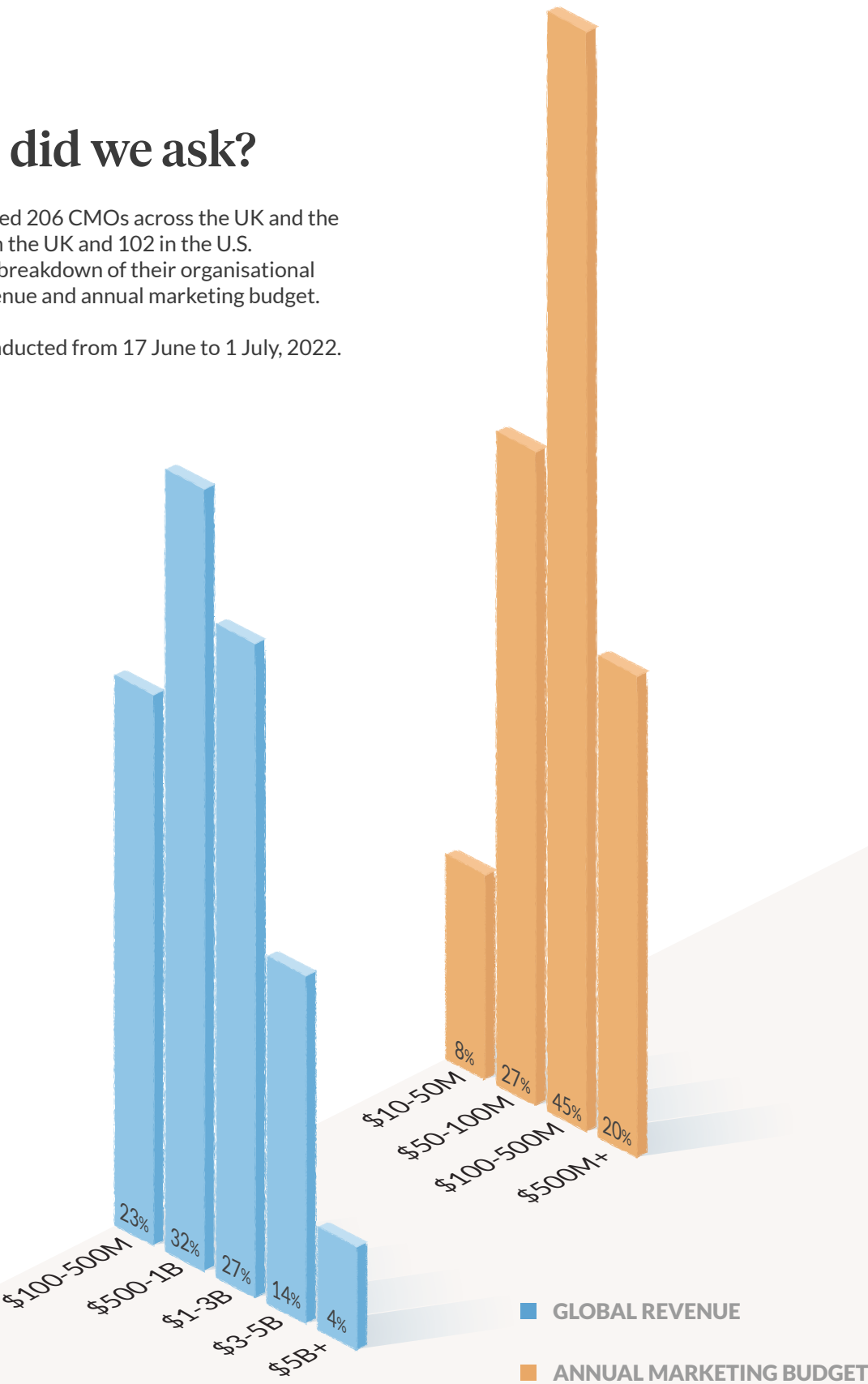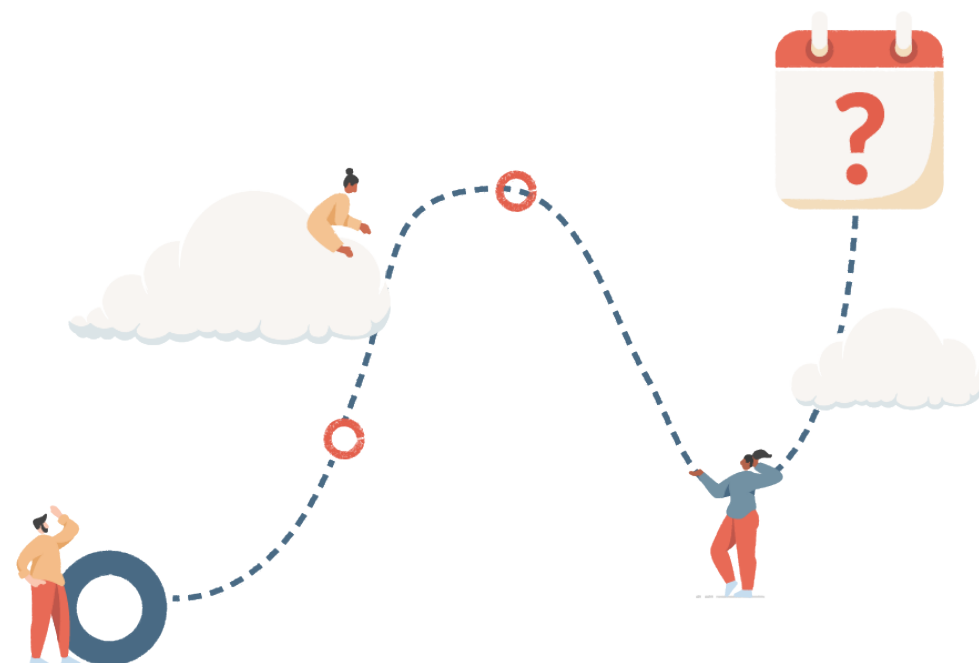
Executive Summary

CMOs have revealed that, on average, organisations are at least two years or more away from "being able to deliver individualised, one-to-one customer experiences." More than one in three said achieving this is at least three years away.

Despite the importance of customer experience and the urgent need to deliver individualised experiences at scale, many marketing leaders are facing challenges in making this a reality.

Our research reveals these challenges include the inability to "aggregate and connect unique identifiers to each customer from individual interactions across different data sources" and "working in silos in our organisation."

The net result is that CMOs struggle to build "mature customer profiles." In this report, we present a four-layer model that CMOs can employ to ensure true connectedness and deliver the customer experience of the future today.

> **Despite the importance of customer experience... many marketing leaders are facing challenges...**

Introduction

Eighty-four percent of consumers say the customer experience provided by a business is equally important to the product or service they're buying, so this should become a top priority for marketing leaders around the world.

Today, however, many organisations struggle with tech stacks that are built in silos and marketing operations that do not join up with the rest of the business. As a result, CMO execution is often centred around channels and campaigns rather than delivering an exceptional customer experience.

In fact, we found that the number one priority of CMOs is to "launch more channels." This ranked higher than "scaling personalisation" and "becoming more customer focused."

At Credera, we believe CMOs should take a step back to holistically address issues such as data acquisition and agile ways of working. This will have a net positive effect on an organisation's ability to scale personalisation and become more customer-focused in the long run.

As Andrew Clayton, Group Head of Customer Experience at Close Brothers, says, "The challenge for most organisations centres around the ability to create a business case
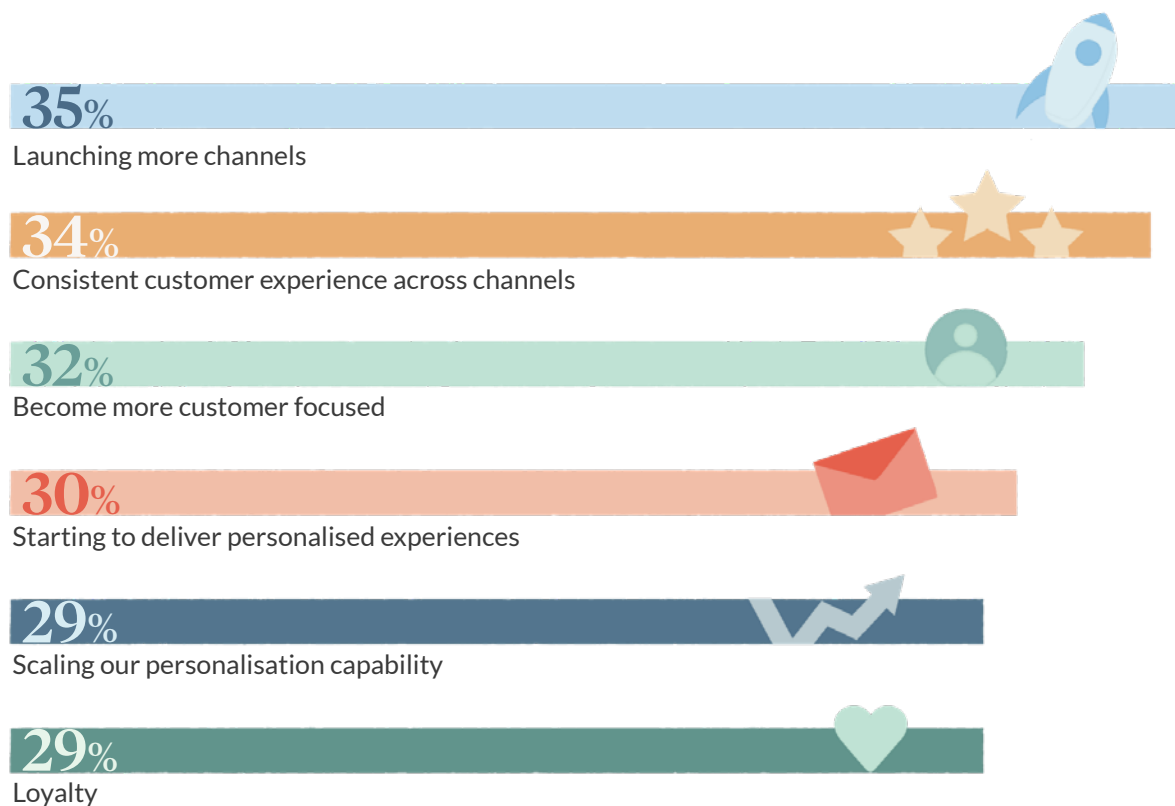
> **66** **Leaders need to prove that customer outcomes drive business finances in a meaningful and robust way. 99**

for customer experience. Leaders need to prove that customer outcomes drive business finances in a meaningful and robust way."

If CMOs and senior marketing leaders hope to build a powerful and effective customer experience that drives commercial growth, then a more unified approach is needed.

In this report, we present a four-layer model that CMOs can employ to ensure true connectedness and deliver the customer experience of the future today.

We asked CMOs what their number one priority is when it comes to delivering customer experiences.

35%
Launching more channels

34%
Consistent customer experience across channels

32%
Become more customer focused

30%
Starting to deliver personalised experiences

29%
Scaling our personalisation capability

29%
Loyalty

Credera's Four-Step Approach for Customer Experience Transformation

STEP 1
Build a "connected experience" that lays the groundwork for how organisations collect customer data and build mature customer profiles.

STEP 2
Ensure all touchpoints are unified to create a state of "connected insights" that enables the development of a single customer view.

STEP 3
Find or refine the right MarTech stack that acts as an enabler for "connected technology" to automate and power the customer experience.
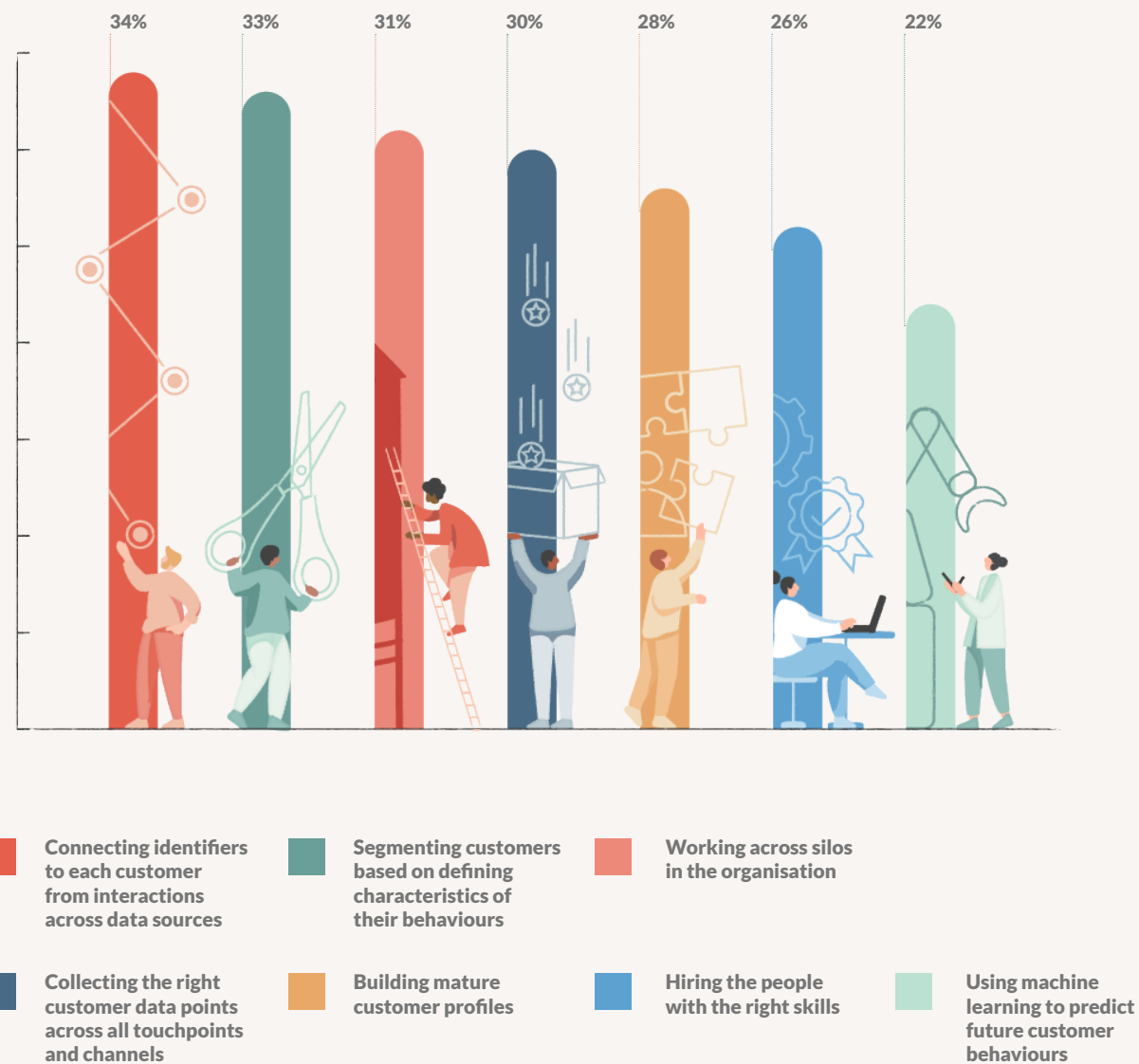
STEP 4
Become a truly "connected organisation" via the adoption of unified, dynamic, and empowered cross-functional teams.

Challenges in delivering an effective customer experience

We asked CMOs to rank the top three challenges they face in delivering a successful and effective customer experience.

34% 33% 31% 30% 28% 26% 22%

- ■ Connecting identifiers to each customer from interactions across data sources
- ■ Segmenting customers based on defining characteristics of their behaviours
- ■ Working across silos in the organisation
- ■ Collecting the right customer data points across all touchpoints and channels
- ■ Building mature customer profiles
- ■ Hiring the people with the right skills
- ■ Using machine learning to predict future customer behaviours

To deliver a truly personalised customer experience at scale, there are several factors that must be addressed. These include data acquisition, data-driven decision-making, breaking down silos to ensure data is being used effectively across the organisation, and adopting an agile mindset to campaign delivery.

Notably, the top two responses show that aggregating, connecting, and segmenting customer data across the business is essential to a strong customer experience.

This was echoed by Teodora Maracineanu, Head of Marketing at Electrolux, who says, "Various studies have shown several challenges in delivering personalised customer experience: data management (gathering, integration, and synthesis of customer data), data analytics, organisations' alignment across functions (siloed processes and organisational models prevent the efficient and prompt sharing of customer data and promotion decisions), lack of tools, and technology enablers."

we found 83% of CMOs said their key challenges with using data to inform decision-making are that "we don't know how to analyse our data" (28%), "our data isn't joined up" (28%), and "people don't know where to get the data from" (27%). This makes it hard to "collect the right customer data across channels" and "build mature customer profiles".

These data challenges are consistent across many organisations, and it's one of the primary reasons why businesses struggle to implement an effective customer experience.

> ❝ Marketing leaders need to reassert their digital orchestrator role to make the connections … that create value for the enterprise. ❞

As Electrolux's Maracineanu notes, "Marketing leaders need to reassert their digital orchestrator role to make the connections between the customer, the brand and the products and services that create value for the enterprise."

In a sophisticated organisational state, customer experience data should be aggregated across the enterprise, allowing CMOs to quickly isolate where customers are experiencing challenges, drill down to understand customer feedback, listen to customer interactions for more profound context, and respond to customer feedback in real time.

This, of course, is easier said than done. we'll present a four-step methodology that an organisation can apply to achieve a connected and efficient customer experience.

Make the future customer experience a reality

Nearly half of organisations are actively planning to increase budget to reach their customer experience goals faster. Despite this, the average CMO has indicated that their organisation is at least 2.21 years away from being "able to deliver individualised, one-to-one customer experiences." More than a third (35%) of CMOs indicated that this is a minimum of three years away.

How can CMOs accelerate this?
Credera's four-step approach can help organisations accelerate toward true connectedness.

1 Establish a "Connected Experience"

The "connected experience" defines how an organisation connects with their end customer and provides tailored engagement. While customer profiles are built via the collection of numerous data sets (email addresses, preferences, and browsing habits), it's important to remember they are not simply the sum of their data—they are individuals, and they expect brands to treat them as such.

It is therefore important to create unique customer personas and make them as diverse as possible. This means understanding the nuances about why different groups buy from a business or what prevents them from recommending the business to others. If organisations don't understand what the perfect customer looks like, it becomes incredibly difficult to create a funnel that attracts more of them at the top.

As Electrolux's Maracineanu adds, "Marketers need to rebuild the marketing engine toward the challenges of orchestrating complex customer-centric journeys. There is a strong need for customer experience (CX) tools and CX analytics to deep-dive in the customer's decision process. We have to develop the necessary skills inside our marketing teams as we need a holistic understanding of our customers and also we need actionable data."

To join up the customer experience, start with the customer and design experiences that suit their needs. Defining the customer journey and the individual's path to purchase is fundamental. This covers the analysis, anticipation, and orchestration of customers' connected experiences. Here, create an affinity loop by plotting the touchpoints the business has with each persona on their "path to purchase" and "plan to renew." Schedule reviews to measure how well messages are being received at each of these touchpoints and plan to optimise and revise accordingly.

A/B testing will help organisations track metrics and understand which touchpoint is resulting in purchases or renewals. These insights allow companies to generate more opportunities that look like the ones with the best performing metrics. Remember, personalisation is key to an effective customer experience. Find out how many experiences are personalised at a one-to-few or one-to-many level and plan resources and spending accordingly.

A joined-up experience means that an organisation provides the impression that its only reason for existence is to serve the customer, so marketing and communications should reinforce that at every turn.
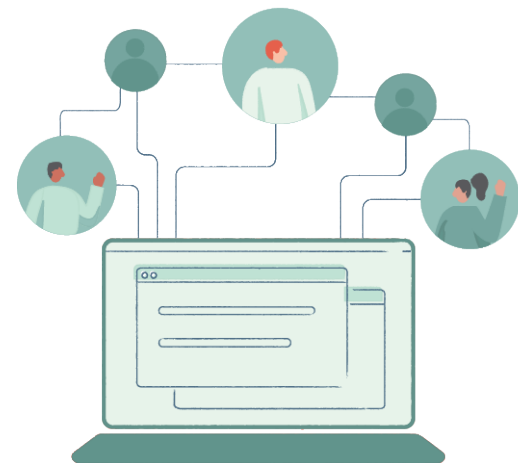
> **There are opportunities to enhance our personalisation foundation through deeper analytics, data science, AI, and automation.**
>
> Andrew Clayton
> **CLOSE BROTHERS**

Build "Connected Insights" 2

A single view of the customer can only come from having "connected insights" across first-, second-, and third-party sources. This indicates an organisational state where all touchpoints are unified to produce a "golden record" of all data points for a given consumer.

This is extremely important when seeking to build an effective customer experience, because the picture of a customer is built up from many different places. An organisation may have information supplied by the customer themselves (a completed "contact us" form), information that has been learned (in conversation or by processing orders), and information that has been observed (from web analytics)

or bought (demographic data, lookalike audiences).

Too often, data silos and disparate data ownership can hamper the development of truly connected insights. To overcome this, organisations must take a step back and clarify their existing customer engagement touchpoints.

If an organisation doesn't have the right data resource in its team to do this, a conversation with IT may help bridge this skills gap. Alternatively, companies can look to hire or outsource for this type of person.

As Close Brothers' Clayton responds, "There are opportunities to enhance our personalisation foundation through deeper analytics, data science, AI, and automation. We partner with external organisations for data and insights and attach that to our customer records to understand segmentation at a customer level. This gives us information like individual circumstances, needs, requirements, and channel of choice so we can tailor our service propositions accordingly."

Start listening to your customers by establishing robust data sourcing and validation rules. This will ensure better aggregation and consolidation of data. For business-to-consumer businesses, allow customers to view and correct their own records; this helps regulate data and provides a much more efficient alternative than manually updating outdated records. If an organisation operates in the business-to-business space, more frequent communications with prospects can ensure lead data is kept clean and up to date.

Ensure that data flows back from channels to a single contact and response history. Set shared IDs that allow for the quick identification of customers and the actions they take. Here, establishing

an enterprise architecture approach will make this unified customer view much more accessible and attainable.

However, when handling customer data, General Data Protection Regulation (GDPR) compliance must come first. When implementing new strategies to acquire customer information, focus on building use cases that add value to the customer rather than simply collecting data for the sake of it.

what this new experience should ideally look like.

Once these use cases are crystallised, it's time to identify the people, processes, and technology gaps at play. In other words, what's stopping the organisation from achieving this improved customer experience? Here, focus on prioritising gap closure initiatives to deliver the best value based on the original use cases.

It's important to make sure that any technology used to close these gaps is modular, connectable, and scalable. This will ensure that a MarTech stack can grow and evolve alongside an ever-changing customer experience. By leveraging this integrated MarTech stack, CMOs can enable new solutions and deliver value based on prioritised customer use cases.

> 66 **Customer journey management is only truly possible if an organisation has one view of interactions across all channels.** 99

As a final word of advice, consider hiring an external auditor to provide a clear, coherent, and unbiased review of an organisation's existing MarTech stack. This can help reveal what a company is missing and how it can "power up" what is already in place.

Align on "Connected Technology" 3

An integrated MarTech stack that is built on an effective technology architecture and decoupled from legacy constraints is a critical enabler for strong customer experience. Data and insight flowing between delivery stacks can exponentially improve a CMO's ability to deliver the right messaging to the right people at the right time. This is why it's vitally important to align on "connected technology" that can automate and power the customer experience.

Customer journey management is only truly possible if an organisation has one view of interactions across all channels. One customer will visit an organisation's website, make a phone call to a service centre, and open an email all within one day. Treating each

interaction separately is common, as often different technology ecosystems service each channel, but this makes coordination difficult (if not impossible). Rather than defining segments and targeting them multiple times across multiple systems, marketers should aim to master them in one place and disseminate from there. This provides consistency of treatment that translates into a smooth experience for the customer. It also reduces the manual effort required and time to deliver.

To achieve this, first define customer use cases that describe an improved customer experience and enhanced business value. These use cases can be garnered from a variety of sources: look at real customer feedback, analyse existing data metrics, and map

Transition to a "Connected Organisation" 4

> A 'connected organisation' consists of a network of empowered, multi-functional teams...

As marketing operations transition from traditional, large-scale campaigns to flexible personalisation, there is also a need to adapt how the organisation operates, increasing its ability to sense and respond dynamically to events.

In our second report, for example, we found that more than two in three CMOs (68%) now say it's important for marketing programmes at their business to be "very reactive."

68% of CMOs say it's important for their business to be **"very reactive"** with marketing.

A "connected organisation" consists of a network of empowered, multi-functional teams, delivering a shared organisational vision. This means overcoming departmental silos and changing how teams work in order to be responsive to customer needs.

As Close Brothers' Clayton comments, "If you want to build a customer-centric business, everyone has a role to play in delivering that ambition across the business. My team has group ownership around the strategy and direction of customer experience. That's supported across the organisation by an end-to-end customer experience journey lead in each area of the business, which creates a network of people that are accountable for the experience in each division. Below that we have journey stage owners that are responsible for particular phases of the journey."

Clayton continues, "To ensure consistency across the organisation, we have a standard group customer operating framework. This articulates how these roles work together and clarifies what they are responsible for, including KPIs and objectives. But it's not about chasing a Net Promoter Score; it's fundamentally about creating a culture of customer experience."

In our experience, companies that thrive and remain competitive have an organisational design that breaks down the silo mentality. Doing so encourages fast "test and learn" cycles, fosters innovation, and ensures organisations remain adaptive to customer needs based on feedback. This means marketers need to adapt how they work, pivoting plans and working styles to encourage fluidity and collaboration across departments.

How can organisations break down silos?

First, build teams around a unified vision and strategy. Having this North Star will better illuminate the path forward and help organisations stay committed to a consistent goal.

Clear leadership is needed at various levels of the organisation to deliver on this vision, particularly when it comes to serving the intended customer use cases (which again, should always be underpinned by business value). A great way to do this is to implement company-wide objectives and key results agreed and championed by the organisation's board.

To ensure that a people and processes transformation is output-driven, set shared targets and measures that the organisation can use as a benchmark for success. Visibility and transparency are key here, so look to regularly review these metrics and objectively determine how this transformation is progressing.
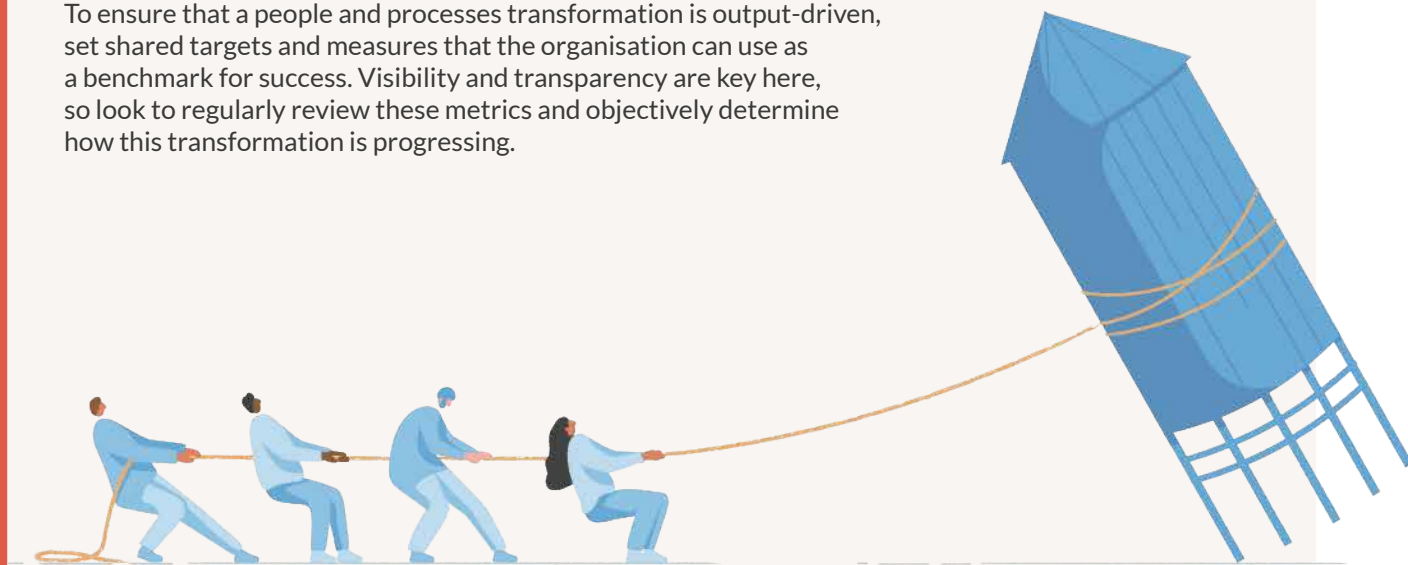
> " Having [a unified vision and strategy] will... help organisations stay committed to a consistent goal. "

What does an agile team look like?

This will flex with the kind of marketing being undertaken, but expect to see people with a creative background (copywriters, art directors), some with a strategy background (campaign planners/ strategists), some technical people (front-end developers and user experience/user interface people), some data people (website analytics or data analysts), along with supporting parts of the business (IT, legal).

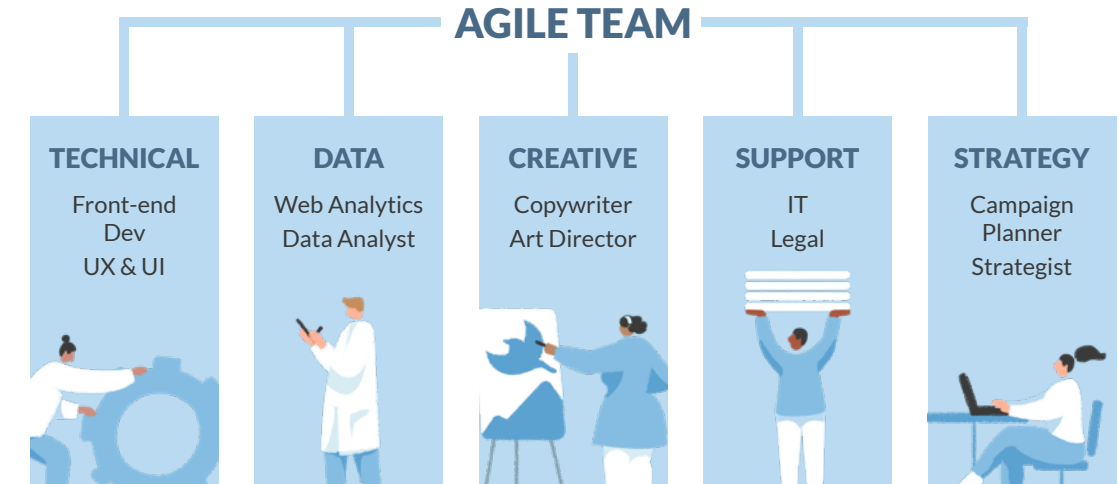The makeup of these teams will allow them to work across the full marketing lifecycle and not just on independent functional or channel-based activities. They can be organised in a way that suits your organisation, but it's common to organise each agile team around a specific product or customer journey. For example, you may organise a team around customer retention, acquisition, or a specific service line (e.g., credit cards).

When done effectively, this can have an outsized impact on speed and time to market.

As Electrolux's Maracineanu concludes, "In this changing environment, marketers have to renew the focus on operationalizing CX strategy through governance, workflows and cross-functional coordination. There is a need for adaptability and agility as the customers' digital buying behaviours are evolving in an unpredictable way. Marketers have to stay close to customers along the full journey, to understand their new needs, to build the connection and to offer support and guidance in the post-purchase phase. It is a customer-led engagement which delivers value."

AGILE TEAM

TECHNICAL	DATA	CREATIVE	SUPPORT	STRATEGY
Front-end Dev UX & UI	Web Analytics Data Analyst	Copywriter Art Director	IT Legal	Campaign Planner Strategist

Conclusion

Even the best laid plans can take longer than expected to achieve, and often a new strategic approach is needed to truly revolutionise the customer experience. It requires an effective MarTech stack that is fully integrated across the business with a single source of truth. Then, agile teams can pivot and adapt to changing demands, allowing strong data acquisition and analysis that can pinpoint insights quickly and translate these into actionable outcomes.

Credera's four-step framework for connectivity can help organisations frame this within a clear and coherent context, enabling CMOs and business leaders to drive change that really works.

OK, so how can I achieve this?

At Credera, we recognise that implementing a truly modern and effective customer experience is a daunting task. Changing business culture, breaking down silos, embracing the correct MarTech stack, and leveraging data effectively to arrive at a single customer view requires significant organisational buy-in and an expert touch.

We have hands-on experience in helping CMOs and chief technology officers (CTOs) across multiple sectors develop a customer experience that boosts engagement, drives sales, and increases loyalty. In fact, some of the world's most recognisable brands trust us to deliver for them.

Learn more about MarTech at Credera here.

GET IN TOUCH

To find out more about our approach, get in touch and we will match you with the appropriate consultant for your needs: findoutmore@credera.com

Why people choose us.

We help our clients to succeed when the stakes are high, where the environment is complex and ever-changing, and when there is no room for quality and security issues that plague other suppliers.

Read some of our most recent case studies here:

Case Studies

Talk to us.

Get in touch with one of our experts by **email**