

# Customer Experience Management Benchmark Research

Improving the Consistency and Quality of  
Customer Interactions

White Paper



**V E N T A N A**  
R E S E A R C H

*Aligning Business and IT To Improve Performance*

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Ventana Research performed this research for a fee to determine the needs and practices of organizations that attempt to manage their customers' experience. This document is based on our research and analysis of a quantitative survey administered via the Web to qualified respondents. Qualification was based upon involvement with customer experience management.

This research was designed to investigate the practices and needs of individuals and organizations that practice or have interest in customer experience management. This research is not intended for use outside of this context and does not imply that organizations are guaranteed success by using only these results to improve organizational productivity. Moreover, gaining the most benefit from customer experience management requires an assessment of your organization's unique needs.

We certify that Ventana Research wrote and edited this report independently, that the analysis contained herein is a faithful representation of our evaluation based on our experience with and knowledge of customer experience management, and that the analysis and conclusions are entirely our own.

*Ventana Research*

## Table of Contents

Executive Summary.....	4
About This Study.....	7
Methodology .....	7
Demographics .....	8
Company Size .....	8
Geographic Distribution .....	11
Industry Affiliation .....	12
Job Title .....	13
Department or Role .....	14
Business Model and Customer Base .....	15
Key Insights .....	17
Customer experience management is understood superficially.....	17
Responsibility for customer strategy is evolving.....	17
Companies don't collect and analyze feedback effectively enough. ....	17
The use of customer feedback is increasing.....	18
Companies don't manage customer touch points actively.....	18
Companies need to understand customer behavior better. ....	18
Companies need to get more from their customer-related data. ....	19
Companies need more reliable views of their customers. ....	19
Agents and centers remain central to meeting customer expectations. ....	19
Agents' attitudes most influence the customer's experience. ....	20
Agents need a smarter desktop. ....	20
Web self-service is important but not a priority. ....	21
The transition continues to multiple channels of customer service.....	21
A company's business model influences how it manages the customer's experience.....	21
What To Do Next.....	23
Increase awareness of how CEM can promote business goals. ....	23
Assess your maturity and take steps to improve. ....	23
Invest in technologies that help you understand your customers better. ....	24
Invest further and differently in training and coaching agents. ....	24
Consider desktop technology to help agents handle interactions more effectively. .....	24
Review and improve customer self-service.....	24
Transition to an integrated, multichannel customer service environment. ....	25
Create a single view of the customer.....	25
How Ventana Research Can Help.....	26
About Ventana Research .....	27

## List of Figures

Company Size by Number of Employees.....	9
Company Size by Revenue .....	10
Participants by Region .....	11
Participants by Type of Industry .....	12
Participants by Job Title .....	13
Participants by Functional Area .....	14
Participants by Business Model.....	15
Participants by Customer Base .....	16

## Executive Summary

Customers are one of a company's key assets, and as well as the purchases they make, the way they behave will have a strong impact on the success or failure of the company. If they remain loyal and continue their purchasing, the company's prospects will be good, but if the costs to support them exceed the revenues they generate, prospects will look bad. The desire to influence relationships with customers led to the development of customer relationship management (CRM), which was supposed to produce better relationships and therefore more business. But CRM mostly managed internal marketing, sales and customer service functions and didn't address the company's actual interactions with customers. Customer experience management (CEM) targets those interactions and focuses on influencing customer behavior.

Our new benchmark research reveals that at a conceptual level companies understand the point of CEM. The majority of participants (56%) said that its purpose is to improve customer-related processes at every touch point, and 27 percent went one step further to say that it is about influencing customer behavior at those touch points to increase loyalty and the volume of new purchases. However, detailed analysis shows that the majority of companies have not yet acted on this understanding.

For example, because nearly all interactions occur through an agent in a call center or through the Web, we looked at what companies have done or plan to do with the desktop systems agents use during interactions and with Web-based self-service.

The agent's desktop is a primary source of frustration for both agents and customers. Agents don't like these systems because typically they are hard to use, don't provide all the right information needed to resolve customers' issues and don't follow the flow of interactions. While customers are not aware of these shortfalls, they suffer because agents cannot focus fully on them, ask them to repeat information and often don't resolve their issues. The research shows that in companies that measure customer satisfaction with the handling of calls (56% of all participating organizations), nearly half (49%) of participants said their customers are less than satisfied with the results of their calls, and only 40 percent said issues usually are resolved during the first call. Only about one-third (35%) of respondents said their desktop provides agents with information that is relevant to depending on the caller's profile and circumstances. Curiously, though, despite the lack of capabilities and the dissatisfaction, only slightly more than one-third of the organizations participating in the research (36%) said they intend to upgrade their desktop in the next 12 months, and nearly half (49%) of those intend to do this by building a system in-house rather than considering the many agent desktop products now available.

Several research findings confirm that companies rely heavily on their agents. Two-thirds (66%) of the organizations rated the skill level of their agents as better than average. The primary action companies have taken to improve the customer experience is to improve agent training (58%). And despite the availability of various technology features that have the potential to improve the customer experience, the largest number (23%) of respondents selected routing calls to the right agent as the one that would most improve it. Moreover, four of the top five factors impacting the customer's experience during a call relate to agent performance: the agent's attitude

(26%), understanding the customer's issue (23%), an ability to resolve issues the first time (20%) and general knowledge (8%). Since the main tool agents use to resolve issues is their desktop, it is surprising that companies haven't provided them with better ones.

As well as being a primary source of information, the Internet increasingly is becoming a popular channel through which people buy products and services. Most companies (81%) have a public-facing Web site, but many have not designed their sites to encourage commerce. Only about half (52%) of the participants in this research indicated that their site was designed specifically to provide customer service; the large majority (89%) use it mostly to provide information. Most participants chose the general-purpose features ease of navigation (53%) and look and feel (28%) as having the greatest impact on the customer's experience, while only a small number (11%) said that ease of purchase is most important.

The net result, according to participants who measure customers' satisfaction in using their Web site, is that only 44 percent of customers say they are satisfied most of the time, and almost one in five (17%) ends up talking to an agent. We believe the latter number is far lower than actual experience because 47 percent of companies don't know how many customers actually start on the Web but end up talking to an agent. What is more, only 38 percent of companies track how many customers who start out to buy something on their site actually complete the purchase. These results show that companies need to pay more attention to their sites if they are to make visiting them a satisfying experience for customers that delivers more business.

Most companies (82%) solicit feedback from customers in one form or another. The most popular method is through a quality-monitoring process (41%) in which supervisors listen to sample call recordings; the next most popular methods were, in order, surveys sent by email, delivered via outbound calls, and administered on the Web. Unfortunately, the majority (57%) send out surveys no more often than once a month; coupled with the small number of surveys that recipients normally complete, this means that most companies are basing their opinion of customer satisfaction on a very small volume of untimely data. For the few that don't solicit feedback at all, the main reason for not doing so is either that no sponsor pushes it (29%) or that they perceive no need to do it (26%). However, 55 percent of these participants said they expect to implement a feedback process in the next 12 months, with the most popular vehicles being email (74%) and the Web (58%).

Although it would be an alternative to manually listening to calls, participants reported little enthusiasm for technology that can automate analysis of recordings: With only 13 percent having implemented it, and only 11 percent considering it, it seems that vendors still must convince companies of the accuracy and cost-effectiveness of doing so.

A single comprehensive (or 360-degree) view of the customer is something that companies have talked about needing for many years. Yet it remains a dream for many, as only 38 percent of companies report that they currently have such a view. We see the lack of it contributing to the result that only 7 percent said their key customer performance indicators (KPIs) are totally adequate. Indeed, they reported that 68 percent of their KPIs are limited to a summary of interactions and basic customer data such as sales, demographics and products purchased. None of these measures is likely to yield information companies can use to increase customer

satisfaction levels, which for 50 percent of participants remains the number-one business driver.

Technologically, the main reason why companies don't have a useful, effective single view is the extensive use of spreadsheets, found in 68 percent of participating organizations. Spreadsheets require a lot of manual effort to enter, update and analyze data and cannot integrate all the sources and types of data normally found in a contact center. Some companies (27%) have tried to overcome this issue by developing a solution in-house using their enterprise business intelligence (BI) tool. An even more cost-effective approach would be to use one of the specialized contact center analysis products now on the market, but only one in five (20%) has done so. More than three-fifths (61%) of participants said they don't see the need for such a product, although we believe many are not aware of the capabilities that are available today.

As CRM vendors once did, CEM promoters now promise that it can produce better relationships with customers so they remain loyal and buy more. The findings of this benchmark research indicate that many companies are hearing the message, but few have implemented the processes and technology to make it a reality. The goal of CEM should be to improve every interaction each customer or prospect has with the company so each goes away happy, having found the information he or she wanted, having had the issue resolved or having made the planned purchase – and perhaps going on to recommend the company to others. Ventana Research believes that if companies don't consider carefully and fully what it means to manage the customer's experience, it is likely that CEM will disappoint them in the same way that CRM did and leave them no better equipped to prosper in today's intensely competitive global market.

## About This Study

### ***Methodology***

Information collected for this study comes from a benchmark research survey Ventana Research conducted over the Web during February and March 2008. We solicited participation via e-mail blasts and Web site invitations. Both Ventana Research and this program's media sponsors (identified above) originated the e-mail blasts.

We presented this explanation of the topic to participants prior to their entry into the survey:

In the last few years, the need for businesses to increase the value of their customer relationships has intensified. Yet doing this is more difficult as organizations add new communication channels for customer interactions outside of the call center. Companies simultaneously must generate the highest possible levels of customer satisfaction in order to compete successfully while ensuring that this occurs through more and varied channels. As organizations try to manage this dual imperative, Ventana Research has seen the emergence of a new emphasis called customer experience management (CEM), which focuses on improving the effectiveness of people, processes, information and technology involved in the customer experience at every touch point within an organization.

We'd like to know your thoughts and opinions on the issues involved in customer experience management. Our benchmark research will explore the business drivers, technical requirements, barriers to adoption and timelines for implementation of this approach to satisfying customers. Your participation will provide valuable information about how companies can align these applications with their people and processes to achieve business goals and objectives.

The following promotion incited participants to complete the survey:

The first 50 qualified participants will receive a Starbucks Card loaded with US\$5; for participants in countries that do not accept incentives, we will provide an equivalent donation to a charity supporting orphaned children across the world. All qualified participants will receive a report on the research findings and a quarterly membership to the Ventana Research Performance Management Community valued at US \$125, and will be entered into a drawing to win a US\$100 American Express Gift Cheque. Thank you for your participation!

The survey included the following qualifications for participation:

The survey for this research study is designed for business and IT managers who have interest in, experience with or involvement in any aspect of interacting with customers, or managing any group involved in such activities as well as managing customer-related performance. Solution providers, software vendors, consultants, media and systems integrators may participate in the survey, but they are not eligible for incentives.

## **Demographics**

We designed the survey used for this research to be answered by executives and managers in marketing, sales, customer service, call centers and operations who are responsible for or require oversight of customer management. It was also designed to be completed by senior IT executives and managers responsible for the systems used to support these functions. While we do not prevent anyone from participating in the research, the findings are based only on responses from the targeted organizations as determined in our qualification process. Qualification entails screening out responses from questionnaires that were not materially complete, that were submitted by inappropriate respondents or where we suspect the submission is bogus. Of 932 participants who entered into the survey, Ventana Research deemed 253 to be qualified to have their answers counted in this research. In this report, the term “participants” refers to this qualified group, and the charts in this section characterize various aspects of their demographics and qualifications.

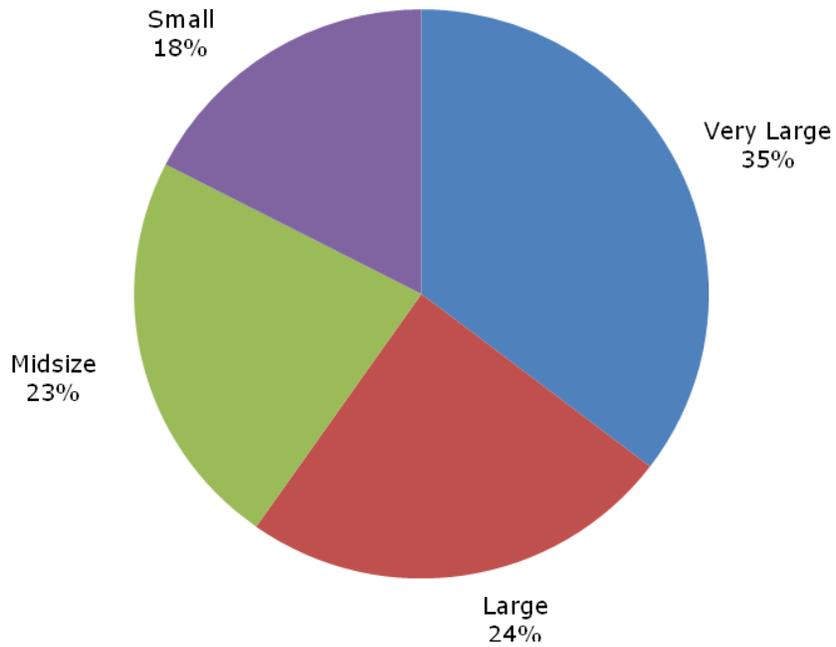
## **Company Size**

Ventana Research categorizes company size using two measures, number of employees and annual revenue; in this research we assessed participating organizations by both criteria. In our definition, small companies have fewer than 100 employees; midsize have 100 to 999 employees; large have 1,000 to 9,999 employees; and very large have more than 10,000. By revenue, small companies earn less than US\$100 million annually; midsize bring in US\$100 million to US\$500 million; large have US\$500 million to US\$10 billion; and very large have revenue that exceeds US\$10 billion.

Our research repeatedly shows that size of organization is a useful means of segmenting companies because it correlates with the complexity of processes, communications and organizational structure as well as the complexity of the IT infrastructure.

Sorted by number of employees, more than half of our sample (60%) consisted of participants from large and very large companies. Approximately one-quarter (23%) of companies were midsize, and the remainder (17%) were small. In our judgment, each category had enough participants to make comparisons meaningful.

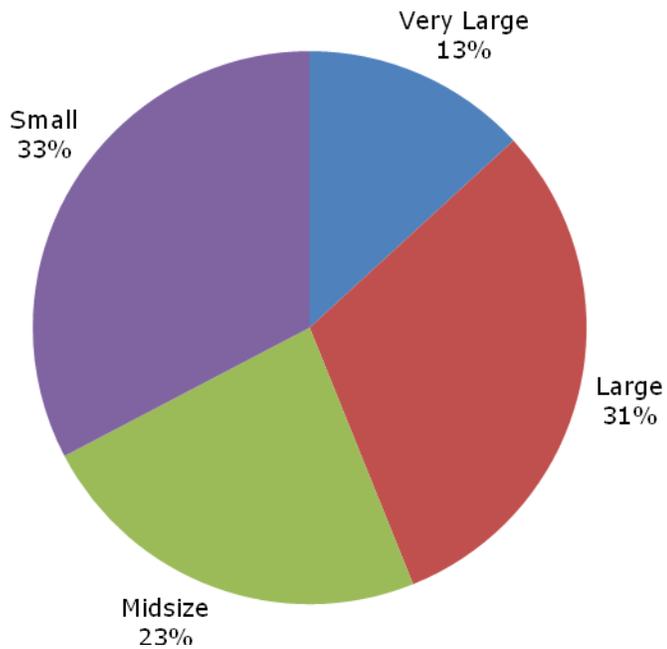
**Figure 1**  
**Company Size by Number of Employees**



Source: Ventana Research

In comparison, when we assessed company size by annual revenue, there were fewer very large companies (13% as compared to 36%), slightly more large companies (31% compared to 24%), the same number of midsize companies (23%) and more small companies (33% compared to 17%).

**Figure 2**  
**Company Size by Revenue**

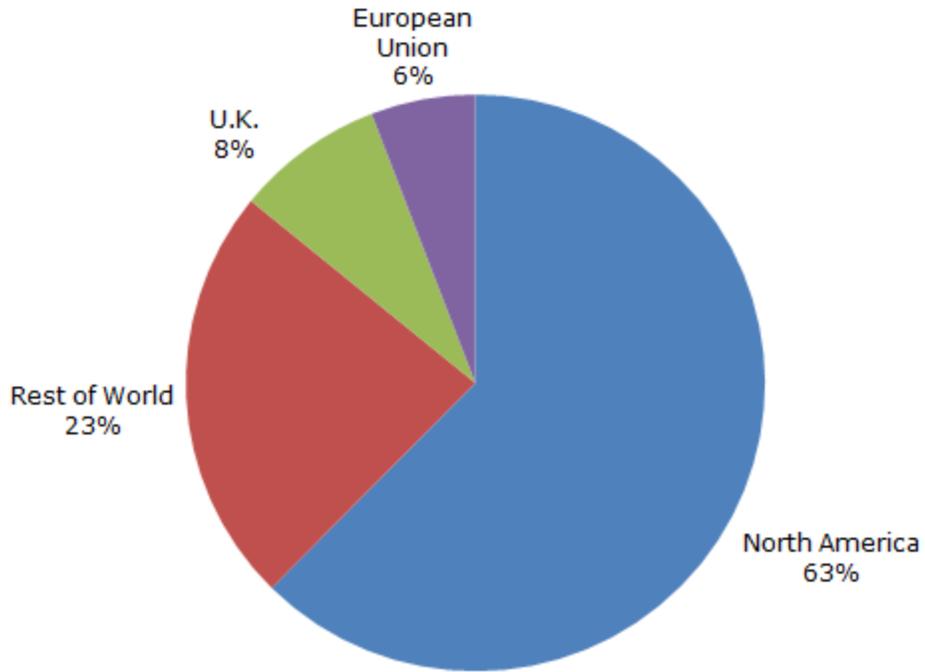


Source: Ventana Research

### Geographic Distribution

For the purposes of this study, we divided the world into four regions. Nearly two-thirds (63%) of respondents were from North America (the United States and Canada), 8 percent were from the United Kingdom, 6 percent from other countries in the European Union and the remaining one-fourth (23%) from countries in the rest of the world.

**Figure 3**  
**Participants by Region**

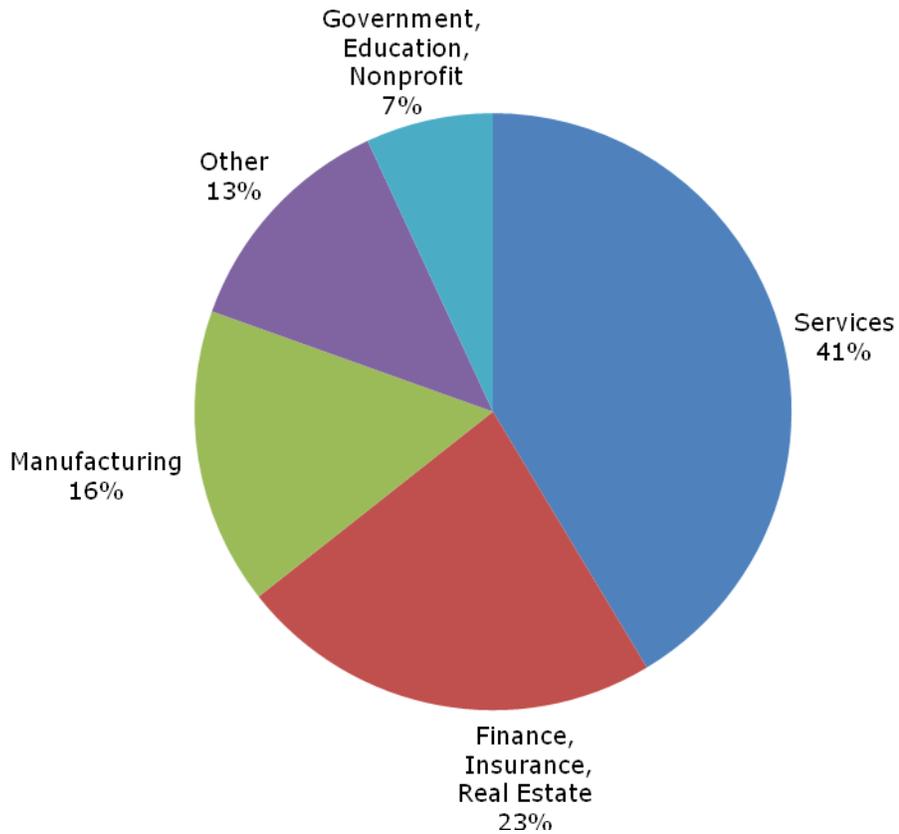


Source: Ventana Research

### Industry Affiliation

The participants represented a range of industries, which for the purposes of this study we have summarized into five general categories and Other. Companies that provide services (36%) accounted for the largest share of participants, followed by finance, insurance and real estate (20%), manufacturing (14%), telecommunications service providers (12%), and government, education and nonprofits (6%); 11 percent were from undefined other industries.

**Figure 4**  
**Participants by Type of Industry**

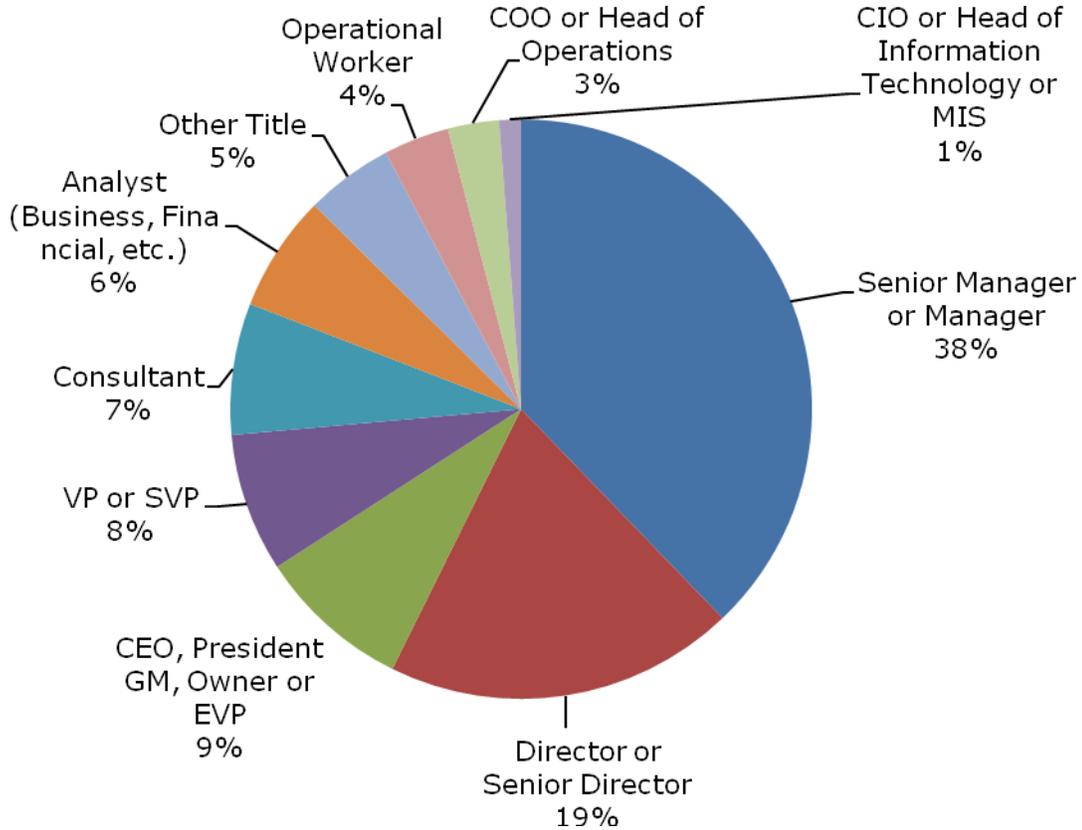


Source: Ventana Research

**Job Title**

We asked participants to choose from a list of 10 job titles plus Other the one that best describes theirs. Senior managers or managers (37%) were the largest group, followed by senior directors and directors (19%). There was a significant number of CEOs, general managers, owners and executive vice presidents (9%), but almost all were from small companies.

**Figure 5  
Participants by Job Title**



Source: Ventana Research

For purposes of more detailed analysis, we aggregated the responses by title into four broader categories: executives (13%), management (27%), users (48%) and others (12%). The table below shows which titles comprise the broader categories.

<b>Executives</b>	CEO, President, GM, Owner or EVP COO or Head of Operations CIO or Head of IT or MIS CFO or Head of Finance
<b>Management</b>	Senior Vice President or Vice President Director or Senior Director

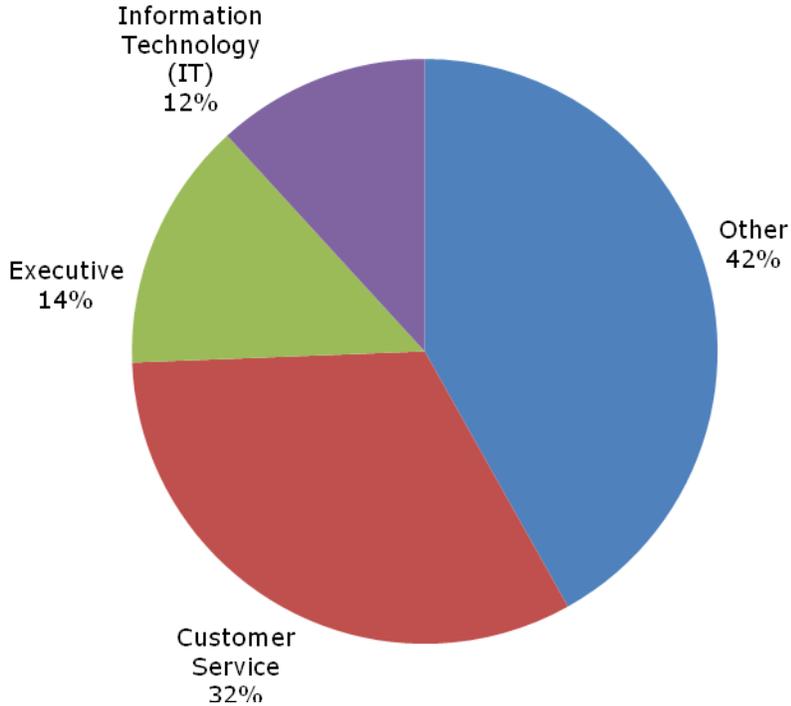
<b>Users</b>	Senior Manager or Manager Analyst (Business, Financial, etc.) Operational Worker
<b>Other</b>	Consultant Other Title

**Department or Role**

As well as their title, we asked participants to indicate their functional area of responsibility. We gave them a choice of 16 roles, and we aggregated the results into four broader categories: Executive (14%), Customer Service (33%), Information Technology (12%) and Other (41%). Within customer service we included contact center (21%) and customer service (12% functions because they play a front-line role in the customer’s experience. We placed Marketing (9%), Sales (8%) and Operational Management (11%) in Other because although these roles also influence the customer’s experience, they do so indirectly, via back-office functions.

We also split the responses into business (89%) and Information Technology (12%) to enable another dimension of analysis.

**Figure 6**  
**Participants by Functional Area**

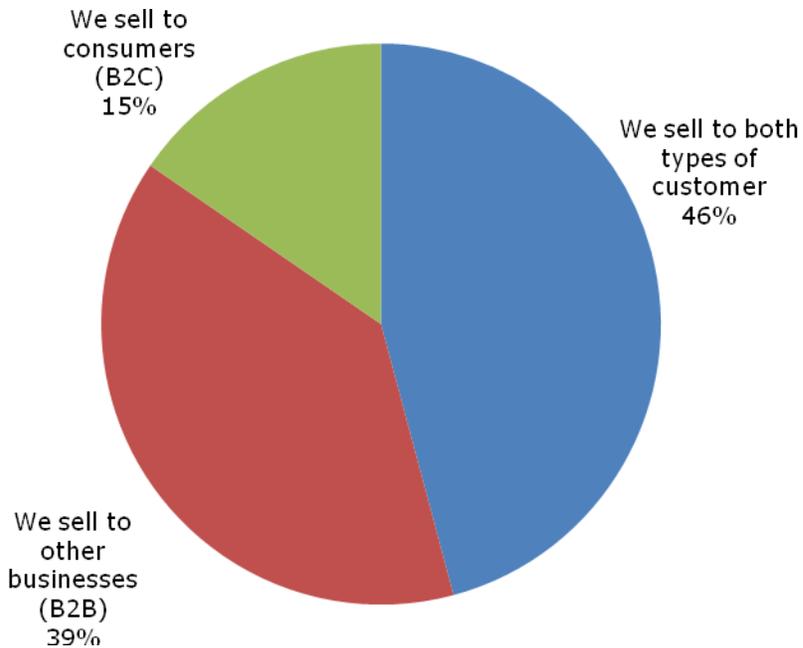


Source: Ventana Research

### Business Model and Customer Base

We also wanted to be able to identify significant variations associated with the general business model of the respondent’s company. We therefore asked them to categorize their business as business-to-business (B2B; 9%), business-to-consumer (B2C; 15%) or involving both (46%).

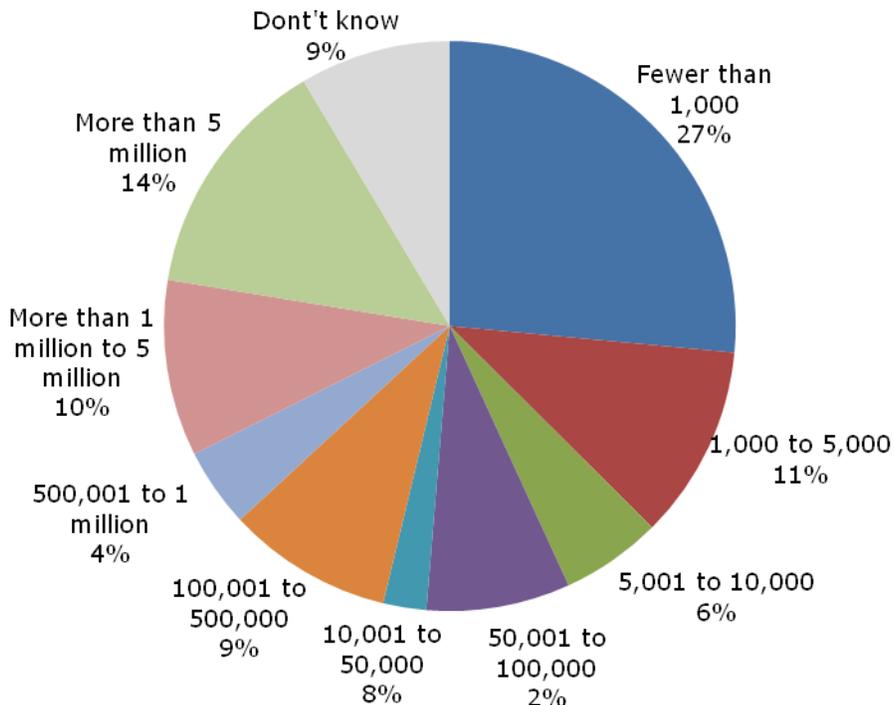
**Figure 7**  
**Participants by Business Model**



Source: Ventana Research

We also wondered whether companies' attitudes toward customer experience management are linked to how many customers they have. We therefore asked respondents to indicate the size of their customer base.

**Figure 8**  
**Participants by Customer Base**



Source: Ventana Research

## Key Insights

In analyzing the findings of our benchmark research we have identified a number of significant trends and perceptions in customer experience management (CEM). (We discuss the question of CEM maturity in the Maturity Analysis section of the full research report. The actual questions asked in our survey can be found in the Appendix to the research report.)

### **Customer experience management is understood superficially.**

CEM is concerned with managing customer interactions at all touch points to engender desirable behavior and satisfaction so customers remain loyal, spend more with the company and cost less to support. On the surface the research results show a high degree of understanding of the term as a serious business strategy: 56 percent of participants said CEM is the process of improving customer interactions, 27 percent said it is a strategy for influencing customer behavior, and the rest (only 17%) identified the term with less critical objectives.

However, the key enabling processes and technologies of CEM are the desktop systems used by agents to resolve customer interactions, Web-based self-service and management of customer feedback. Here participants showed less understanding: Only 8 percent said that a desktop that can change in real time would help agents improve the customer's experience, and the same small number (8%) said that personalizing the company's Web site would improve the experience. While most participants (82%) said they solicit customer feedback, the majority use subjective methods – such as listening to recorded calls or asking the agent what happened – or channels that are likely to result in only small volumes of responses – letters, e-mail or interactive voice response (IVR). This leads us to conclude that while the term largely is understood, adoption of the practice itself has yet to reach the same level.

### **Responsibility for customer strategy is evolving.**

Somewhat less than half of participants said that a company executive (46%) or the CEO (41%) is responsible for setting the customer strategy, though this response was more common in smaller companies. Conversely, although 54 percent of all participants said that customer performance measures are part of the executive review agenda, that is more often true in very large companies. We conclude that the explanation of this dichotomy lies in the trend to create a title such as customer relationship manager or something similar. So while the responses indicate that smaller companies leave customer strategy to the CEO or other executives, in larger companies it is more likely that these executives set the general strategy but leave the details to a person or group from marketing, sales or customer service, led in about a third of companies by a senior vice president or director.

### **Companies don't collect and analyze feedback effectively enough.**

The majority (83%) of participants in this benchmark research told us their company is not very effective at improving the customer experience. Most companies (65%) decide that they need to act based on the results of customer feedback surveys. The results also show, however, that most surveys are sent out monthly or less frequently (57%) (and that the most common channels are email and postal mail,

making it likely that only a small percentage is returned and that the memory of many recipients will have faded. Only about 10 percent of the participants have adopted analytic tools that could significantly increase the size of their samples and thus make the analysis more accurate and timely. An additional benefit of using such tools is that they enable companies to increase the granularity of segmentation and set more closely targeted strategies for different customer segments.

**The use of customer feedback is increasing.**

The results show that in one form or another, most (82%) companies solicit feedback from their customers about interactions. The two most popular methods (41% each) for doing so are to listen to recordings of calls and to send out surveys by e-mail. Both have similar constraints: Companies have limited resources and so listen to only a small sample of calls, and response rates to surveys typically are very low. Timeliness of response also is a problem because more than half (57%) of companies send out surveys monthly or less frequently, and only about one-quarter (23%) solicit feedback immediately after the interaction. We conclude that many companies aren't that committed to using surveys, but that could be changing: About half of participants said they plan to implement more formal methods of soliciting feedback in the next 12 months, and using e-mail surveys is the one they named most often.

**Companies don't manage customer touch points actively.**

The customer experience occurs at various touch points, and where a person is involved, the skill and attitude of that person are important. Yet our research shows that companies tend to rely on the quality of their products (39%) and their brand image (28%) to set customer expectations; only 22 percent of participants said that the way customers are handled on the phone has an impact on those expectations. It is therefore not surprising that most lack documented processes for handling different types of interaction; phone calls most often (57%) have such processes. More often, participants said they have approved processes that are not documented, which suggests that many "best practices" have evolved by word of mouth. And despite the prevalence of multichannel customer service, we found process gaps: Only 23 percent of organizations document handoffs between communication channels, and only about two-thirds (65%) can track interactions across channels.

In 40 percent of organizations, responsibility for defining these processes rests with the customer service team, and only about a quarter (28%) assign it to a dedicated team. In contrast to our previous benchmark studies, few leave it to IT (1%) or no one (6%) – this at least is a welcome improvement.

**Companies need to understand customer behavior better.**

Uppermost in companies' minds with respect to their customers are three concerns: how loyal they are (81%), whether they recommend the company to colleagues (81%) and whether they are satisfied (73%). To measure these important qualities, more than two-thirds (69%) of organizations rely on overall customer satisfaction scores. They pay less attention to outcome measures such as customer lifetime value (31%) or cost of service (27%) or to newer measures such as net promoter scores (25%). Further analysis of how companies produce their key performance indicators (KPIs) indicates that they rely heavily on spreadsheets and have not deployed

technologies that would allow them to integrate data from disparate sources to do these more innovative types of analysis.

**Companies need to get more from their customer-related data.**

Through calls, e-mail, surveys, blogs and other means, customers are telling companies what they do right and wrong, not just in the contact center but across the enterprise, commenting on failings such as poor quality of products, misleading sales messages or incorrect bills. As they do this, large volumes of data are created and captured in the center. Companies have begun to use this data to improve operational processes (72%) and call center processes (52%). Yet few have gone further to use such data as the basis for call-routing (35%), to set agent reward schemes to change behavior (33%) or to identify the best-performing agents as an indicator for new recruitment (29%).

Companies could also make better use of the customer information they do collect; 75 percent simply distribute it and in only about half of companies (54%) does the information make it onto the executive agenda.

**Companies need more reliable views of their customers.**

The foundation for a customer management strategy that enables decision-making at the point of contact with customers is an up-to-date, reliable and comprehensive view of the customer – sometimes called the single or 360-degree customer view. Our benchmark research shows that only 38 percent of companies have such a view and for those do, the information contained on it is of these types:

- Operational measures such as sales information, customer demographics, and product information, which occur in roughly the same frequency (about 60%)
- Information about interactions from the call center (68%) and other business units (49%)
- Outcome measures such as customer’s lifetime value (45%), first-call resolution rates (42%) and cost of service (30%), and net promoter scores (11%)
- Automated analysis of call recordings (20%) and text-based interactions (12%).

This illustrates our finding that companies are more focused on operational efficiency than on the outcome of their actions. The prominence of operational measures is largely a consequence of the methods employed to derive key performance indicators, which either are manually derived using spreadsheets (68%) or are drawn from standard reports produced by infrastructure products (60%). Both of these sources limit the range of data that can be included in the analysis and thus its relevance. Some companies (27%) have gone to the trouble and expense of developing more comprehensive reports using their enterprise business intelligence tools. Only 20 percent have implemented a dedicated product that can deliver customer metrics. Thus it is little wonder that only 7 percent of companies are completely satisfied with their customer KPIs.

**Agents and centers remain central to meeting customer expectations.**

Despite the proliferation of new channels, companies still expect contact center agents to play the key role in satisfying customers. The most-often cited change of

technology that could improve the customer's experience is routing of calls to the right agent (23%), although improving Web service had a higher weighted average, indicating that this alternative is gaining strength. We found the same pattern when examining actions that companies have taken in trying to improve the customer's experience; participants cited improving agent training most often (58%), but improving the Web site also received a significant response (44%).

The results also confirm a trend that we have observed in the past: Companies don't rely solely on full-time call center agents; 29 percent of them are routing calls to employees outside the center.

Nevertheless, the traditional call center continues to handle most companies' interactions with customers. Nearly three-quarters (73%) of participating companies have a stand-alone center. These vary in size from less than 10 seats (3%) to more than 2,500 seats (10%); overall, the distribution is fairly even, with no segment representing more than 16 percent of the total. Within the centers, generally speaking, participants rated their agents' performance strongly positively: 57 percent rated it high, and 9 percent rated it excellent.

### **Agents' attitudes most influence the customer's experience.**

Other Ventana Research benchmark research shows that calling the contact center is still the most popular way that customers interact with a company. It is therefore not surprising that three of the top four factors participants cited as influencing the customer's experience most strongly are related to agents:

1. The attitudes of agents (26%)
2. Their understanding of the customer's issue (23%)
3. Their ability to resolve the issue during the first call (20%).

Participants chose these factors far more often than the items traditionally measured in the call center, such as queue lengths, call lengths and number of times transferred. We conclude that companies should focus less on those operational measures and more on measures to determine how well the agents are performing from the customer's perspective. Given this disconnect, we were not surprised to find that only about half (51%) of participants from companies that measure customer satisfaction for call-handling said their customers are satisfied, and just 40 percent said that calls usually are resolved during the first call.

### **Agents need a smarter desktop.**

The majority of customers' interactions are with an agent in the contact center or someone in an alternate business unit, and resolving interactions on the first call is a high priority. These and other factors make the agent's desktop an important tool. Good support from the desktop allows the agent to focus on the customer and proactively prompts the agent with information that can help resolve the issue. But our benchmark results show that only about one-third (35%) of companies provide such a "smart" desktop. Although one-third (36%) plan to upgrade their agents' desktops in the next 12 months, half of them (49%) plan to build a solution in-house and so won't be taking advantage of the available products on the market, which have functionality built in to address this issue and could save them money and risk.

### **Web self-service is important but not a priority.**

For most businesses, having a public Web site is now mandatory, and 81 percent of participating companies have a site. Yet only about half (52%) use theirs for customer service to some extent. Asked to choose among qualities of a Web site that have the greatest impact on the customer experience, half (53%) chose ease of navigation, and one-fourth (25%) selected look and feel. Only 11 percent said it is important to make it easy for customers to purchase products or services, and almost none (1%) said that personalizing the site would improve the customer's experience. It is therefore not surprising that participants said that less than half (44%) of their customers are totally satisfied with their site.

We also found that companies are not focusing on use of their Web sites by customers. For example, nearly half (47%) don't even know how many people using their site end up speaking with an agent, and only 38 percent measure how many customers who start a purchase actually complete it. Without measures of this sort, they aren't likely to use the Web effectively.

### **The transition continues to multiple channels of customer service.**

The research shows that companies already have implemented multiple channels through which their customers can communicate; the widely accepted means of telephone (97%), e-mail (92%), fax (80%) and postal mail (77%) are still the most popular. Alongside these, most companies (81%) have implemented Web sites and plan to continue investment in them, and another 10 percent will implement a site in the next 12 months. To keep up with changing customer preferences and technology investments, companies also have begun to adopt new channels such as instant messaging (IM; 21%) and text messaging (18%), which are the areas in which most investment will occur in the next 12 months (14% in IM and 11% in text messaging). Though less common, video is increasingly becoming available (10%) and is an area of planned investment (7%).

As these plans come to fruition, it will be even more important that companies establish and maintain consistency across channels; currently 65 percent can track interactions across multiple channels, and the rest will need to do so to keep up.

### **A company's business model influences how it manages the customer's experience.**

As well as looking at the size of company judged by number of employees and revenue, we also analyzed results according to three general business models (business-to-consumer, business-to-business and mixed) to see whether that impacts a company's approach to CEM. The first obvious conclusion is that B2C organizations have larger customer bases than B2B, which is the major cause of differences in approach. Overall the results show that B2B companies are more intimate with their customers and take a more personal approach rather than making use of automation techniques. Items of particular difference include the following:

- Smaller companies more often designate a customer relationship manager and make it a relatively junior role.
- Many more B2B participants said they don't know what the term CEM means.
- The smaller the company, the more likely it is that the CEO or a named, dedicated individual takes responsibility for setting the customer management strategy.

- The smaller the company, the more likely it is that a dedicated team or individual defines the interaction-handling processes. In larger companies, this is more likely to be left to customer service.
- B2B companies are much more likely to use multiple techniques in deciding their customer strategy.
- People in B2B companies were not as aware of what KPIs the company uses to measure customer experience, but these organizations show a higher adoption rate of net promoter scores. In B2C companies, the most popular KPI is average call length.
- B2C companies more often use customer surveys.
- Both types of company rate call-routing as the technology that will influence CEM most, but this emphasis is stronger in B2C companies.
- B2C organizations have adopted automated analytics more widely.
- B2B companies place more importance on multichannel interactions and in particular Web self-service.

## What To Do Next

Customers are a company's primary asset, and it has never been harder to attract new customers and retain existing ones. Research from a number of sources shows that today's customers may be one annoying phone conversation or frustrating experience at a poorly functioning Web site away from defecting to a competitor. To rise to this challenge, businesses need to practice customer experience management (CEM), addressing issues involving people, processes, information and technology that influence customers' experiences and behavior at every point they touch the business. CEM is an emerging discipline for dealing with customers and their interactions, and the recommendations that follow are intended to advise companies how to approach it. They are derived from the results of this research, from our consultations with clients and from our knowledge of best practices in managing customer experiences to produce superior business results.

### **Increase awareness of how CEM can promote business goals.**

Customer Experience Management has become one today's hottest topics. This research benchmark study shows that most companies have a reasonable understanding of the term, although in most cases this understanding is limited to improving the interaction-handling processes and doesn't go the additional step to focus as well on changing customer behavior. However, few companies have moved beyond understanding the term to executing the necessary people, process, information and technology changes to make CEM a reality. We recommend that companies use this report to understand what more mature companies are doing and to educate senior executives on the importance of CEM and how it can make your business more effective and a better performer.

### **Assess your maturity and take steps to improve.**

We assess organizational maturity at four levels. The most mature companies we term Innovative. The following are key factors that differentiate innovative companies from less mature organizations:

- They place customer management strategy on the executive agenda.
- They document their interaction-handling processes and track interactions across communication channels.
- They use feedback surveys extensively to assess customer satisfaction and execute them immediately after every interaction.
- They provide to people who handle interactions a desktop system that can guide them by providing appropriate information and recommending next steps.
- They personalize self-service for customers who visit their Web sites.
- They utilize all sources of customer data to create a full view of their customers and practice predictive modeling.

We recommend that companies compare their own maturity to these benchmark criteria and then determine actions they need to take to further it in pursuit of their business goals.

**Invest in technologies that help you understand your customers better.**

Before an organization can improve its customers' experiences, it needs to understand how they feel about current interactions. A key tool for uncovering these feelings is feedback surveys that occur as the interaction is closing and the experience is still fresh in the customer's mind. To conduct them requires deploying a customer feedback application that supports surveys through multiple devices such as Web-enabled laptops, PDAs and mobile phones. In addition, they need automated analysis of the vast output from interactions – call recordings, Web or instant message scripts, text messages and written surveys – which requires applications that analyze voice and text. Although rather new, we recommend companies evaluate these products as they can yield deep insights into customers' feelings and actions.

**Invest further and differently in training and coaching agents.**

Our benchmark research shows that agents continue to play a vital role in the customer experience during telephone calls. Their attitude (26%), ability to understand the caller's issue (23%) and ability to resolve it during the first call (20%) were three of the top four factors participants cited as influencing the customer's experience most strongly. Organizations therefore should continue to invest in training and coaching them, and we advise using emerging technologies that employ speech analytics to identify areas requiring the most attention. Organizations also should consider adopting new agent desktop technologies that require less training for agents to learn and use.

**Consider desktop technology to help agents handle interactions more effectively.**

Previous research by Ventana Research shows that the agent's desktop remains a complex environment: Many agents have to access up to 20 different applications to do their jobs. This complexity is time-consuming, distracting, prone to error and as a consequence frustrating to both caller and agent. Our current benchmark research shows that innovative companies (24%) have deployed a "smart" desktop environment that makes it easier to access information or provides it automatically, replaces the various user interfaces with one that mirrors actual interaction processes and/or prompts the agent with the next best actions depending on the customer's profile. We recommend that companies assess these applications, which can make interaction-handling more efficient and effective.

**Review and improve customer self-service.**

Customers increasingly use the Web not only to find information but to purchase products and services. The research shows that while most companies (81%) have deployed a Web site, far fewer (44%) use it to support electronic commerce, thus missing business opportunities. Many of those that do support e-commerce don't do it optimally: Only 38 percent of our participants measure how well they are converting potential business into actual purchases. The results also show that companies' top priority for their sites is ease of navigation (53%), not ease of purchase (11%). We recommend that organizations deploy tools that capture and analyze customer experiences that occur on their Web sites and use this information to improve self-service capabilities.

### **Transition to an integrated, multichannel customer service environment.**

While one-to-one conversations still dominate the way people prefer to communicate, mobile lifestyles and new technologies are encouraging change. The cell phone is now ubiquitous, and as these devices evolve and offer more capabilities, use of the Web and instant messaging for commerce will increase. To keep pace with these changes, companies have to transition from phone-only call centers to multichannel customer contact strategies. They will need to support more communications media, such as IM (which 21% currently do), text messaging (18%), PDAs (12%) and video (10%).

### **Create a single view of the customer.**

Only 7 percent of participants said their customer KPIs are fully adequate. We attribute this inadequacy to two main reasons. The first is that only 38 percent have a single view of their customers. Second, three of the four most common types of content contained in the single view are very basic customer information: sales (66%), demographics (66%) and products (64%). On a more positive note, the content produced most often is a summary of interactions (68%), and number five on the content list is an analysis of those interactions. Nevertheless, most organizations have too many sources and types of customer data to be able to bring it all together in a useful form. Here, as in other business operations, users in this situation turn to manual methods to produce their reports and analysis, with spreadsheets the tool that most participants (68%) use. By contrast, innovative companies (20%) have deployed dedicated products that are capable of dealing with multiple sources and types of data and that have call center and customer-related analysis capabilities built in. We recommend that companies assess these products to help create a comprehensive view of their customers and then use them to drive improvements in the customer's experience.

## How Ventana Research Can Help

Ventana Research helps organizations develop, execute and sustain a Performance Management program that aligns people, process, information and technologies essential for success. As an objective, trusted advisor we are your insurance that your Performance Management initiatives drive immediate and long-term improvements to your business.

We offer a variety of customizable Performance Services to meet your specific needs including workshops, assessments and advisory services. Our [workshops](#), led by analysts with more than 20 years of experience, provide a great starting point to learn about hot Performance Management topics – from Compliance to Business Intelligence to building a Performance Management strategy and driving adoption of best practices. We also offer tailored [assessment services](#) to help you connect the business and technology phases of your project by leveraging our research foundation and Performance Management methodology. We also deliver access to our analysts for trusted and objective [advisory services](#) on an as-needed basis to help you keep up with market trends, technologies and best practices.

Everything at Ventana Research begins with our focused [research](#) on Performance Management. We work with thousands of organizations worldwide – conducting research and analyzing market trends, best practices and technologies with the purpose of helping our clients improve the efficiency and effectiveness of their organizations.

Through our [Performance Management Community](#), we also provide opportunities for professionals to share challenges, best practices and methodologies. Sign up for Basic membership to [www.ventanaresearch.com](http://www.ventanaresearch.com) and gain access to our monthly Performance Management newsletter and learn about upcoming educational and networking events – such as webinars, conferences and network roundtables – in your area. We also offer the following membership levels to view entire research notes for expert advice and recommendations:

**Premium membership:** For business and IT professionals\* interested in full access to our research notes - including assessments of market impact and recommendations on technologies and trends.

**Premium Plus membership:** Get full access to research notes plus a two-hour inquiry with our analysts on your specific strategy, technology and implementation questions, as well as one research report and other exclusive content such as white papers and presentations.

To learn more about Ventana Research services – including workshops, assessments and advisory services – please contact [clientservices@ventanaresearch.com](mailto:clientservices@ventanaresearch.com).

*\*Premium Community membership is for end-user professionals. [Additional services](#) are available for solution providers, software vendors, consultants and systems integrators.*

*The full research report, including the detailed maturity model analysis, is available for purchase through Ventana Research at 925-474-0060 or by contacting [sales@ventanaresearch.com](mailto:sales@ventanaresearch.com). For a list of research available visit [www.ventanaresearch.com/research](http://www.ventanaresearch.com/research).*

## About Ventana Research

Ventana Research is the most authoritative and respected benchmark business technology research and advisory services firm. We provide insight and expert guidance on mainstream and disruptive technologies through a unique set of research-based offerings including benchmark research and technology evaluation assessments, education workshops and our research and advisory services, Ventana OnDemand. Our unparalleled understanding of the role of technology in optimizing business processes and performance and our best practices guidance are rooted in our rigorous research-based benchmarking of people, processes, information and technology across business and IT functions in every industry. This benchmark research plus our market coverage and in-depth knowledge of hundreds of technology providers means we can deliver education and expertise to our clients to increase the value they derive from technology investments while reducing time, cost and risk.

Ventana Research provides the most comprehensive analyst and research coverage in the industry; business and IT professionals worldwide are members of our community and benefit from Ventana Research's insights, as do highly regarded media and association partners around the globe. Our views and analyses are distributed daily through blogs and social media channels including [Twitter](#), [Facebook](#), [LinkedIn](#) and [Business Week's Business Exchange](#).

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