



CLOSING THE CX GAP: **CUSTOMER EXPERIENCE** **TRENDS REPORT 2019**

*A global perspective from marketers and
consumers on open source innovation and
what makes or breaks customer experiences*



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EXECUTIVE SUMMARY

Organizations have learned that delivering positive customer experiences (CX) isn't just good for customers; it's good for business. Customers will abandon a brand if their needs aren't satisfied, negatively impacting business' retention rates and bottom lines. That's why customer loyalty is vitally important for every brand.

That said, how marketers attain this loyalty must align with the times. Today's consumer has more options than ever before and walks into every brand interaction with high expectations for engagement, responsiveness and product quality. With all facets of the experience – from social networks to retail channels – being disrupted by major players like Amazon, Apple and Google, consumers have adapted to a certain standard and can be unforgiving when their expectations aren't met or their trust is betrayed.

What does this mean for marketers? They not only need to deliver on these increasing expectations, but must also strategically employ the right tools to deliver personalized experiences – without breaking their trust or abusing the data privileges their customers allow them. No easy task, to say the least.

Marketers now live in a world of analytics and funnels, facing greater pressures to deliver on quantitative business objectives. Even so, they must remember the human beings behind the numbers and ensure, through all the number-driven deliberations, that they are ultimately building relationships based on trust.

Where do these two groups stand today, as the industry continues to ebb and flow around them? How do marketers feel about the current state of CX, and do consumers agree? The stakes have never been higher for today's brands – but are they ready to deliver?

To get to the heart of the matter through a global lens, we've collected the views of more than 5,000 consumers and 500 marketers across the United States, Australia, France, Germany and the United Kingdom. Spanning the topics of brand loyalty, marketing technology, data privacy and more, our survey identifies where marketers and consumers align – and maybe more importantly, where they don't.

The findings pose interesting questions about the disconnect between consumers and marketers, as well as the return on investment (ROI) gained from an ever-growing inventory of marketing solutions. Despite increasing investment in marketing technology (martech) year over year, nearly half of consumers say brands aren't meeting their expectations, and even fewer remember the last time a brand exceeded expectations.

Moreover, marketers continue to struggle with the new balancing act that is personalization and data privacy, much to the frustration of consumers. Although many marketers – 85 percent – believe they are compliant and secure in their data practices, the way they use this information leaves much to be desired, with 61 percent of consumers reporting that brands aren't using their personal information intelligently or thoughtfully to predict their needs. Marketers must bridge the gap that's been brought to light through our research and bring empathy and respect to the customer relationship.

As the marketing landscape becomes more competitive and demanding, marketers need to collaborate and find support through community. Yet, companies and data remain more siloed than ever. Feeling the pressures of competition, marketers are leveraging as many as 20 different vendors – all with their own platforms, roadmaps and integration challenges.

It's now time to remove the barriers that separate our platforms and, thus, our data, while also banding together as a community to lean on and learn from one another. This new mindset, facilitated largely by massive advancements in open source, is allowing for true CX innovation, adaptability and agility.

As we examine these global research findings and implications, we'll discuss how brands can overcome CX barriers by honing in on three areas: People, Technology and Data.

THE HUMAN ELEMENT OF CX

Expectations vs. Reality

According to both marketers and consumers, CX is missing the mark.

More than 60 percent of consumers polled feel that brands do not do a good job of using their personal preferences to predict their needs. What's more, 55 percent of consumers agree that brands are behind the times with how they interact with customers, both online and offline.

As a result, many consumers – 61 percent – feel that the brands that should know them, simply don't – even lacking in the most basic areas of customer knowledge, such as purchase history and personal preferences.

This has an even more troubling impact on customer loyalty, with 78 percent of consumers reporting they are more inclined to be loyal to brands that understand them and what they are looking to achieve through interactions with a company.

Clearly, consumers' expectations for brand experience are not being met. They're not the toughest critics, though. We surveyed marketers on these same questions, hearing how they feel as consumers and what their expectations are for CX.

Most of us have likely heard the adage 'doctors make the worst patients.' Well, it turns out the same can be said of marketers. Based on our findings, marketers are often tougher on brands than consumers.

When asked if online experiences with brands need to be made easier, 44 percent of marketers strongly agreed. On the other hand, only 18 percent of consumers strongly agreed with this statement. Similarly, when asked if they often abandon a brand when the online experience is poor, 77 percent of marketers agreed (30 percent strongly agreed) whereas only 63 percent of consumers agreed (17 percent strongly agreed).

This same pattern can be seen when it comes to personalization and convenience, with 79 percent of marketers saying they feel like a generic customer when they engage with businesses online, as opposed to a unique individual with their own preferences and needs. When asked the same question, consumers agreed but to a lesser extent, with only 68 percent agreeing to this statement.

In terms of convenience, more than half of marketers (53 percent) strongly agree that engagements with brands should be convenient, whereas only 33 percent of consumers felt the same.

This data presents an interesting conundrum: if marketers have higher expectations for CX and are, overall, feeling greater dissatisfaction than consumers, why aren't brands meeting expectations?

***Do brands make
you feel like
an individual?***

68%
of consumers

&

79%
of marketers

...say NO

Dissecting the Disconnect

Strangely, even though marketers express displeasure at their own experiences as consumers, they are overwhelmingly confident that they themselves are delivering on consumer expectations – 87 percent of them say so.

Yet, nearly half (49 percent) of consumers say brands they engage with don't meet their expectations for a good experience. Unsurprisingly, when asked about the last time a brand exceeded their expectations, even fewer consumers responded positively. Among the consumers we polled, 66 percent say they can't remember the last time a brand exceeded their expectations. This sentiment rang true regardless of geographical boundaries, with consumers in every country surveyed largely agreeing with the statement.

Clearly, marketers and consumers are out of alignment.

Marketers today live in a world of analytics and funnels, and measuring performance is a critical part of every marketer's job. It's important that the drive to hit quarterly performance metrics doesn't distract them away from understanding what they're doing well and what needs work. It's essential to know how and where customers connect, and to have insight into their motivations. While technology and data are key elements to measuring success, they're also tools to help better engage customers – but only if used effectively.

“ I don't remember when a brand experience exceeded my expectations. ”



Global average: 66%

See Beyond the Numbers

This disconnect suggests that it's time for marketers to take responsibility and make a change.

Here's how:

Develop the right team & skillsets – Don't assume your digital or demand gen teams have the skills your organization may require to advance your CX strategies. Make sure you've committed to the practice of CX and resourced accordingly.

Ensure a 360-degree view of your customers – Ultimately, a holistic look at the CX would provide a 360 degree perspective. The measures that help achieve this often include drilling into customer effort scores, visitor intent, purchase horizons and more – providing invaluable insights to shaping the CX. These data points also need to be augmented by surveys and feedback loops with customers for an up-to-date, accurate picture.

Get leadership on board – It's time to take a fresh look at marketing and encourage your leadership team to do the same. Remember, one person or department can't do this on their own. Effective CX takes a village. Get others on board by selecting one short-tail CX optimization tactic and one long-tail project to prove the value of great experiences. Move the measures that your executives care about so your whole organization is focused on CX.

2 out of 3

*consumers can't
recall the last time
a brand exceeded
expectations*

***Time to make
a change.***

TECHNOLOGY AS AN ENABLER, NOT LIMITATION, OF CX

Are You Writing Checks Your Martech Can't Cash?

Consumers and marketers alike agree that technology should make online experiences with brands better.

Seems obvious, right?

In truth, it isn't so cut and dry.

Nearly three-fourths (74 percent) of marketers globally feel like technology has made it harder, not easier, to offer customers personalized experiences.

Overwhelmed and inundated with disparate systems that are not communicating with one another, marketers are losing visibility into their customers. They feel bogged down with numerous tools and data streams working simultaneously but out of alignment. As a result, they are unable to predict and personalize interactions.

Without the ability to easily see all data from these sources and bring it together in one view to drive informed decisions, marketers are likely missing prime opportunities to understand, and thereby effectively engage with, customers and prospects. So, while 82 percent of customers want higher levels of personalization than many brands currently offer, it's starting to become clear that just adding more martech to the equation isn't the solution. In fact, 65 percent of marketers agree that much of the technology they deal with is simply far too complex to create a good CX.

Despite these feelings of uncertainty and the challenges marketers are facing in harnessing their current solutions, they plan to continue increasing their technology investments. As evidence of this, 62 percent of marketers said that they are spending more this year on martech than last year, with 28 percent of respondents believing they'll spend as much as 25 percent more.

Yet, when asked if their organization is spending enough on marketing technology, 75 percent of respondents said yes.

This is true even in regions where consumers view brands positively and marketers remain confident in their ability to meet expectations, as is the case in Germany where more than half of consumers feel brands are providing good experiences and 97 percent of marketers feel confident that they are meeting customer expectations.

This trend is ubiquitous among the global marketing community, with a staggering 86 percent of marketers worldwide confirming that investment in even more martech is part of their strategy in the next 12 months.

Has our marketing spending gone on autopilot? Are we simply building up our tech stacks because we can, not because we should? And, are we being strategic about the investments we make?

One thing is clear, there's a major disconnect between what marketers are spending and the experiences they're delivering.

This leads us to ask...what the tech?!

PLANS TO INVEST

86% of marketers plan to increase martech spending in 2019

Don't Sacrifice Best-Of-Breed for a Less Than "Suite" Approach

CX is more than simply bringing customers in the door; it's about fostering long-term relationships. And while marketers understand this transition and have evolved their thinking, digital solutions have not followed suit.

Without question, marketers want their technology working together to create one cohesive experience, both internally and for the customer. This was true for 89 percent of those polled through our survey.

At one time, this was achieved through big proprietary enterprise scale vendors who claimed they could do it all. Every system and solution you need under one umbrella sounds ideal. However, this approach comes with limitations.

Today's marketing landscape is complex and diverse that one company won't have the solutions that best fit for marketing, commerce, personalization, data management, content and experience management, and more.

Marketers trapping themselves within one vendor's ecosystem could be missing out on the best solution for any given application. This can also subject them to significant delays while vendors plan and execute upon proposed integrations and connectors. This could slow the delivery of marketing programs and limit future options, stifling marketers and preventing them from getting ahead of their customers' next ask.

If your organization is investing in less than the best, all the marketing budget in the world won't help you move the needle on CX.

No one should be at the mercy of a vendor's roadmap. It's time to have the freedom to chart your own path.

89%

*of marketers want
their technology
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the customer.*

Opening Up to Open Source and the Power of Community

To allow for a more adaptable and agile CX strategy, marketers should look to open source and headless solutions. In fact, our research found that an astounding 88 percent of marketers want to take an open source approach to their CX platform.

This strategy can be highly effective, as it eases integration across a martech stack and allows marketers to reap the collective brain power of the largest community of technical experts across the world wide spectrum of tools.

Open source is becoming the critical underpinning on top of which today's vast inventory of marketing tools must reside in order for marketers to act confidently and knowledgeably. By harnessing the power of community, marketers can easily stay abreast of the latest best practices, technology integration strategies and troubleshooting techniques.

Why go through trial and error with technology when the larger community could provide a short cut? Oftentimes, the problem you are facing has already been solved. Open source allows everyone to capitalize on this knowledge, so the industry can move forward swiftly and collectively. And to be an effective marketer, speed is critical.

Through API-first models, marketers can seek out the best of the best in martech, without fear of a poor, time-intensive or even impossible integration. With open source, there is a solution out there and the larger community is behind you to find it – creating the freedom to innovate, take risks and enter uncharted territory. Does this remind you of why marketing was an appealing profession in the first place? To feed your creativity and see your ideas come to life!

In addition to opening your company to the collective resources of the larger developer community, open source allows users to truly capture and leverage all of their data – a foundational element of CX that is lacking among marketers, according to findings.

Although 86 percent of marketers say that their organization has a way to capture customer data in real-time, 83 percent say that customer data is captured across multiple systems within their organization and lives in silos.

Silos can prevent valuable information on customer preferences and past interactions from being shared across technology solutions and possibly even departments. This could mean sales or IT is seeing information about customers that marketing is not. Data discrepancies across divisions may even be the reason marketers struggle to work effectively with other units of the company, such as IT, which 66 percent of marketers reported as a challenge.

Without full access to visitor information and customer data profiles, it's impossible to understand your buyers and personalize experiences to them as they move through the customer journey. Unfortunately, this is becoming an all-too-common problem as marketers continue to snatch up new tools without taking stock of what's in front of them, what can work together and what isn't working at all.

Our research shows that 22 percent of marketers currently rely on as many as six different vendors and 10 percent of marketers saying their organization relies on as many as 20 different vendors. Given this, the ability to ensure seamless cross-platform operations and bring data from these disparate sources together has never been more important.

83% *of marketers say customer data lives in silos, impacting personalization*

How to Prioritize an API-First Model

Some marketers may be wondering if it's too late – are they already too far down a vendor rabbit hole? API-based solutions however offer such flexibility that anyone can find a way to integrate them into their operations. To start:

Evaluate your tech – Start by taking a critical look at your tech stack. Identify the breakpoints in your CX delivery. Get opinionated about systems that aren't delivering. Some may not be returning results because they're disconnected from the rest of your stack. For other systems, it may be that your team lacks required expertise.

Make a plan – Make a plan to optimize your investments around CX. Forge paths to bridge previously disconnected software, taking advantage of low-code apps and APIs whenever possible. Invest in training where required. Set short-term and long-term milestones for success, and get started with a proof of concept right away. Demonstrate success and gain the support of your executive team to make change.

Select the right partners and providers – If you're working with agencies and tech providers, learn about their experience participating in open source communities and discover how they've helped other brands succeed through collective innovation.

Get involved – Open source communities are filled with people trying to tackle challenges that are similar to yours. It's a source of ideas and innovation, so get your team involved and get passionate about the work that's happening in the community.

MAKING DATA YOUR SECRET WEAPON

What's Ahead? AI, IoT, and Voice...OH MY!

Over the next 12 months, marketers are embracing more than new martech solutions. As major tech disruptors continue to set the tone for customer engagement, marketers know they must respond, placing a strategic focus on several key technological advancements that are transforming the way consumers live, work and shop.

ARTIFICIAL INTELLIGENCE (AI)

Consumers remain split on the benefits of AI when it comes to their interactions with brands.

13%

are looking forward to AI making interacting with brands a better experience.

17%

strongly disagree that it will improve interactions with brands.

The association of AI with impersonal experiences is a major concern for consumers.

75%

of consumers agree that the problem with automated experiences is that they are too impersonal.

81%

of marketers believe AI-powered innovations will improve interactions with brands.

77%

of marketers intend to make AI and machine learning part of their marketing strategy in the upcoming 12 months.

INTERNET OF THINGS (IoT)

Marketers in every country will be investing heavily in connected solutions.

83%

of marketers will be further investing in IoT-capable solutions and campaign initiatives over the next 12 months.

71%

of U.S. marketers, coming in on the low end, to Germany, where 90 percent of marketers confirmed IoT will be part of their marketing strategy.

VOICE ASSISTANTS

With major technology players such as Amazon, Google and Apple all betting big on in-home devices, there's no doubt in marketers' minds that it should be a key focus in the coming months.

75%

confirmed that linking with in-home devices is part of their marketing strategy over the next several months.

61%

of U.S. marketers are making this a strategic focus.

84%

of German marketers will be incorporating this approach into their ongoing initiatives, followed closely by France (79%) and the UK (77%).

Consumer Data Privacy Continues to Confound

Officially enforceable on May 25, 2018, the European General Data Protection Regulation (GDPR) is considered by many marketers to be among the most influential pieces of legislation in recent years.

Following several major data breaches, GDPR set forth a framework intended to reshape the way data is collected, stored and utilized, giving consumers more control over their personal information and placing greater responsibility on the companies that use it.

Reception to this legislation was mixed, with some companies viewing this as an opportunity to reassess their internal processes for data gathering; others saw it as a threat to their very existence in the European Union.

Despite having more than two years to prepare for GDPR, companies continue to flounder, leaving marketers with the difficult task of determining how best to move forward in an age when data is as much a liability as it is an asset.

In a [report by MarketingSignals](#), 37 percent of UK workers reported that their businesses are still not following GDPR. In the United States, more than 1,000 news sites still fail to comply and, thus, remain unavailable to European visitors, according to the [UK's Joseph O'Connor](#), the founder of [Channel Graphs](#), a YouTube Statistics tracking website.

According to our findings, 85 percent of global marketers feel they are doing a good job ensuring compliance with data regulations. While compliance is critical, it's also important to understand how brands' use of data makes customers feel – as that has a major impact on the CX.

When asked how they think consumers feel about sharing personal information in exchange for a superior experience, 81 percent of marketers said 'comfortable.' Moreover, 40 percent went as far as to claim that consumers are very comfortable divulging personal information. On the flip side, just 11 percent of consumers reported being very comfortable sharing their data and 79 percent of consumer respondents think brands should not use their data to market different things to them. Additionally, nearly half of consumers (47 percent) are uncomfortable with brands knowing things about them when they didn't realize the brand had that information.

It's clear that marketers and consumers have drastically different views on brands' collection and use of consumer data .

Brand Loyalty is Divided... And Quickly Lost

Marketers seem to be in a bit of a Catch 22. They need to respect data privacy, but also provide a level of personalization based on data that appeases customers – and drives loyalty. After all, customers and brands shouldn't just transact, they should be forging a relationship. A brand's connection with customers is a delicate and evolving partnership that must be continually nurtured. Ultimately, that emotional connection becomes a key ingredient for customers to keep coming back.

For years, marketers focused solely on bringing new customers into the funnel and, once there, those individuals were quickly lost in a cascade of form emails promoting any number of generalized and likely irrelevant offerings.

Today, marketers know that top-of-the-funnel interactions are just the beginning. Once an initial touchpoint is made, every one that follows must be well thought out and carefully curated to convert a sale seeker or impulse buyer into a life-long loyalist.

For many savvy shoppers willing to do the legwork of comparing offerings and price matching promotions, brand loyalty doesn't always factor into the equation. Consumer respondents were fairly split on this topic, with 54 percent reporting that they don't consider themselves loyal to any particular brand. This sentiment was echoed across the globe, but was felt most strongly in Germany, where 61 percent of respondents agreed with this claim.

That said, many consumers still value brand loyalty, with 51 percent promising life-long allegiance to a brand once it has earned this loyalty. This commitment was most strongly felt in the U.S. above all countries polled, where 59 percent of consumer respondents agreed.

Even so, for many, loyalty has its limitations. Our survey found that an overwhelming 76 percent of consumers globally will move on from a brand after a bad experience. These figures were equally as staggering when looked at by country, with 78 percent of Australian consumers and 79 percent of French consumers agreeing. Viewed globally, U.S. consumers were among the most forgiving, with only 69 percent saying they would send a brand by the wayside after a poor experience.

The black-and-white approach consumers are liable to take toward brand loyalty may seem discouraging, but there is good news.

Personalized experiences are proving effective in swaying even the staunchest of naysayers. According to our survey, 76 percent of global consumers are more likely to be loyal to a brand that understands them on a personal level.

Consumers Assess How Likely They Are to Quit a Brand Because of Bad CX

“ I am loyal to certain brands, but as soon as I have a bad experience with them, I am moving on. ”



Global average: 76%

Trust Isn't a Maybe, It's a Must

Consumers are keeping their data close and their expectations high, leaving little room for marketers to personalize touchpoints effectively.

However, there is a way forward, and it comes down to establishing trust with your customers, which can be accomplished through a mix of transparency, empathy and sincerity. While this may be easier said than done, here are some tips to get there:

Safeguard data – Partner with your internal IT and security teams as needed to ensure data compliance standards are being met, like GDPR. Embrace opt-in methods so customers are aware and in agreement of their data being used. There should be no surprises.

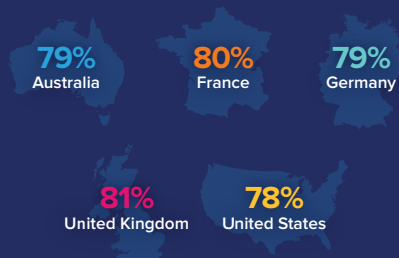
Provide value in exchange – For whatever data customers have agreed to share, you should provide something in return. For instance, if you're collecting data on your website visitors, they should understand why they're in a journey you've created. It should feel welcoming and relevant, and they should understand why you've brought them there. Create ways to engage and show that you have their best interests at heart.

Keep it real – When you need a gut check if you're crossing the line, think about personal relationships. Customer and prospect relationships shouldn't be treated any differently. When meeting a new person, you might ask their name but not their birthday and email address right off the bat. Be cautious of crossing into creepy territory and being too forward. Once transparency and trust are established and the customer sees the benefit, then it's OK to push for additional data – in a respectful manner of course.

THE TRUST GAP

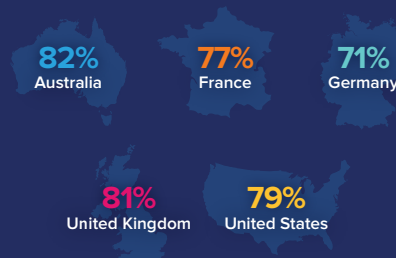
Consumers are holding tightly to their data, but continue to desire more personalized experiences. Trust is the missing link:

“Brands should not be able to use my personal data to try and market different things to me.”



Global average: 79%

“I would be more loyal to a brand that showed they really understood me and what I was looking for.”



Global average: 78%

HOWEVER

Establishing trust comes down to transparency, empathy and sincerity.

BRINGING THE CX TOGETHER: PEOPLE, TECHNOLOGY + DATA

It's Time to Look Through a New Lens

As we said at the start of this journey, delivering experiences that appease customers is by no means a new idea. How to do this today, however, is very different than what it once was.

Marketers have more tools at their disposal, but with them comes a greater responsibility.

We have the opportunity to break the mold with today's strategic marketing initiatives, capitalizing – albeit thoughtfully – on mobile applications, chatbots, conversational interfaces, email, social and so many other touchpoints to create personal, meaningful and valuable experiences for customers.

As we've learned, blindly investing in martech isn't the answer. Fundamentally, marketers and consumers aren't on the same page when it comes to experience or data privacy, and that needs to change.

This is where the work begins.

Marketers, it's time now to take accountability for pesky promotions, annoying app notifications and data left adrift in siloed systems. Look in the mirror and truly assess how your brand is being perceived and if you deserve your customers' trust. Customers are more informed than ever before and do their own research. They only have time for brands that understand and respect them.

Yes, marketers bare the brunt of the onus, but they cannot improve CX alone. Demonstrating that customers are valued must come from every facet of the organization. It is a team effort that takes support from the top down...and insight and assistance beyond the walls of a single company.

Marketers must not underestimate the benefits of tapping into a knowledgeable and supportive external community bound together through the power of open source. With the help of this ever-growing network, marketers can act with confidence, knowing they have one of the largest and most skilled teams of practitioners, strategists and troubleshooters in the world behind them. Through this collective intelligence, they can break free of the vendor mold, choosing marketing solutions because they are the best – not simply because they fit what's already in place.

It's clear that marketers are the toughest critics of CX, so step back and check if your own brand passes inspection. If it doesn't, it's time to get the right people, technology and data ingredients together and map out a holistic strategy.

...A winning strategy that not only makes you look like a rockstar marketer, but improves your business and keeps customers coming back for more. Now, that's how you close the CX gap.



ABOUT ACQUIA

Acquia is the open source digital experience company. We provide the world's most ambitious brands with technology that allows them to embrace innovation and create customer moments that matter. At Acquia, we believe in the power of community - giving our customers the freedom to build tomorrow on their terms. To learn more, visit acquia.com.



ABOUT THE SURVEY

Closing the CX Gap: Customer Experience Trends Report 2019 was commissioned by Acquia and conducted by Regina Corso Consulting between August 14 and August 28, 2018. Respondents to the online survey were 5,003 consumers – 1,000 from Australia, 1,000 from France, 1,000 from Germany, 1,000 from the United Kingdom and 1,003 from the United States – and 501 marketers – 100 from Australia, 100 from France, 100 from Germany, 100 from the UK and 101 from the U.S. The consumers are all 18 and older and the sample is balanced by age and gender for each country. The marketers are director-levels and above and their company has annual revenue of US\$10 million or more.