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CRACKING TOMORROW'S
CX CODE

REAL-TIME CUSTOMER INTELLIGENCE

FOR EXCEPTIONAL
EXPERIENCE

CMO Council Report

CMO COUNCIL™

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CX STRATEGY NEEDS A MAKEOVER

It's no secret that the last few years have upended the way customers want to interact with companies. Digital engagement has led to higher customer expectations, bigger demands and about a million more choices if one brand doesn't deliver. Privacy laws and changes by tech companies have marketers scrambling to get the data they need to meet customer expectations. Once tried-and-true CX programs, those that don't lead with data and digital, are now cracking under the weight. The pressure is on!

Chances are your CX strategy is crying out for a modern makeover.

Our study found that more than 60% of marketing leaders say the digital customer journey has dramatically changed their CX strategy. Worse, nearly two-thirds aren't very confident in their CX strategy's ability to win and retain customers in this new environment.

The challenge is to orchestrate a great customer experience that hits all the right notes, from digital self-service to meaningful personalization to privacy and trust to seamless omnichannel, including a "hybrid" blend of physical and digital experiences. Consumers want a frictionless, rewarding experience when buying great products at affordable prices despite volatile geopolitical and macroeconomic trends. Not so simple.

HOW MUCH HAS THE DIGITALIZED CUSTOMER JOURNEY CHANGED YOUR CX STRATEGY?
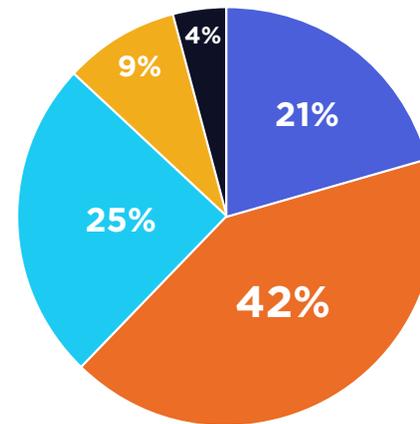
4%
9%
21%
25%
42%

HOW CONFIDENT ARE YOU IN YOUR ORGANIZATION'S CX STRATEGY FOR WINNING AND RETAINING CUSTOMERS?

4%
9%
16%
26%
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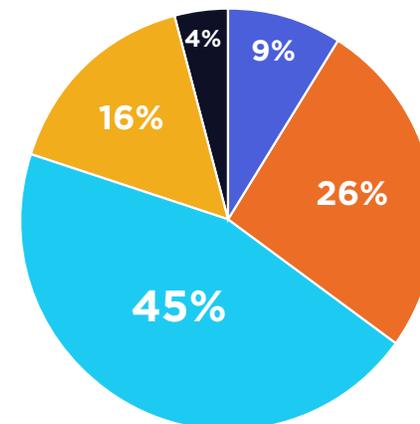
- ■ EXTREMELY
- ■ VERY
- ■ MODERATELY
- ■ SLIGHTLY
- ■ NOT AT ALL

FOR A CX MAKEOVER, OUR STUDY FOUND THAT BRANDS NEED TO:

Understand what drives customer loyalty today

Climb the maturity curve of CX capabilities

Get ahead of consumer concerns about privacy

Transform MarTech from an inhibitor to an enabler

Embrace AI to serve up more rewarding experiences

"Over the last two years, our CX strategy has been changing," says Serra Karaarslan, oncology biosimilars and marketing excellence lead at Pfizer. "The reason is that everything is changing. We live in such a complex, digitalized, hybrid, face-to-face reality that it's normal to not be sure about customer expectations."

The good news for brands with the courage to reimagine CX: Customers stand ready to reward them.

"We have plenty of customers and prospects who tell us that a common friction point with networking providers is the ease of doing business," says Alicia Dietsch, senior vice president of business marketing at AT&T. "They tell us, if we get it right, it would be a significant differentiation."

The CMO Council and SAS embarked on an extensive study to understand where CX gaps and opportunities lie. We looked at CX from various perspectives and conducted separate surveys for consumers and marketers. We compared mature CX capabilities between top and bottom performers. We noted changes and similarities in CX attitudes from pre-pandemic days to today.

While you'll find insights and recommendations throughout this report, a recurring theme is that CX is as mercurial as human behavior. CX strategies and technologies, too, are constantly evolving. CMOs must work hard to stay ahead.

OUR METHODOLOGY

Our findings are based on a survey of more than 1,000 marketing leaders and a survey of more than 2,000 consumers across the globe. Additionally, we conducted 10 in-depth interviews with executives from companies such as AT&T, Pfizer, FedEx, Standard Chartered Bank, Hitachi Ventura, Globe Telecom, and Mars Wrigley.

SECTION 1
INTELLIGENT CX

LOYALTY'S LOST CONNECTION

What drives customer loyalty today? It all depends on who you ask.

Marketers say the top four drivers are high-quality customer service (e.g., one call/visit problem resolution), high-quality products, consistency of response across channels, and personalized product offers and communications. In comparison, consumers say high-quality products, low cost, loyalty programs and incentives, and high-quality customer service.

The SAS Experience 2030 report conducted in late 2019 shows that pre-pandemic to today, consumers have stayed fairly consistent in their ranking of loyalty factors. Brands, on the other hand, have made significant changes in their thinking about loyalty. Generally speaking, brands are lowering the level of importance on cost and elevating personalization and brand consistency as a means of differentiation.

"When you think about loyalty, product quality and price always play a role but have become table stakes," AT&T's Dietsch says. "Over time, this allows marketing to create differentiation through other aspects of CX, which drive loyalty."

Take away high-quality products, low cost and customer service — CX factors that marketers typically don't control — and our consumer survey highlights loyalty programs and incentives as important loyalty drivers. OK, that's good. The bad news is that marketers also highly ranked personalized product offerings and communications while consumers put those near the bottom.

MARKETERS POV
TOP 4 LOYALTY DRIVERS:

High-quality customer service

High-quality products

Consistency of response across channels

Personalized product offers and communications

CONSUMERS POV
TOP 4 WAYS BRANDS WIN LOYALTY:

High-quality products

Low cost

Loyalty programs and incentives

High-quality customer service

However, when we asked consumers to tell us where brands are falling short on the loyalty drivers, personalization didn't even make the top 10. While consumers didn't place a high value on personalization, they also don't think brands are doing a bad job at it. (See table in "Where Brands Fall Short," pg. 11.)

When it comes to personalization, it's important to read between the lines. Personalization may have reached a saturation point whereby consumers simply expect it.

"By learning the psychology of customers, you can fill the gap between what customers are saying and what they're doing," says Nav Thethi, senior manager for web and digital experience at Hitachi Vantara. "By understanding how customers perceive our brand and business, we can provide a much better experience."

Key Action Recommended: CMOs should look deeply into loyalty factors, such as personalization, to understand what's really driving loyalty.
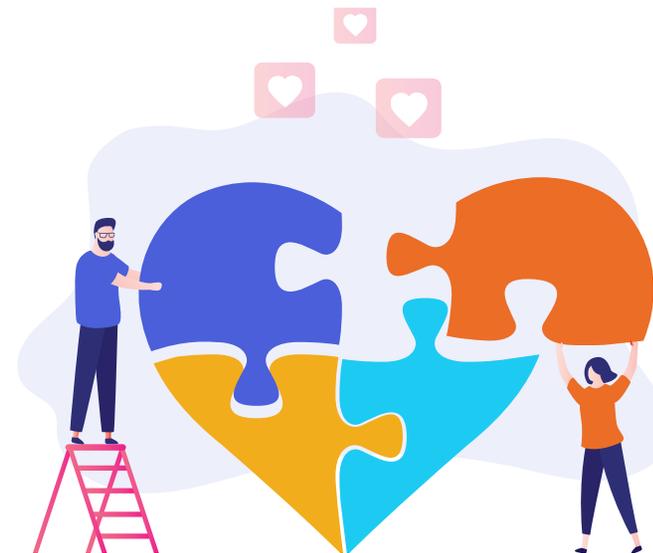
"By learning the psychology of customers, you can fill the gap between what customers are saying and what they're doing. By understanding how customers perceive our brand and business, we can provide a much better experience."

— Nav Thethi, senior manager for web and digital experience at Hitachi Vantara

CHASING CX CAPABILITIES

Marketing leaders who are highly confident in their CX strategy to win and retain customers have good reason. They're further along the CX maturity curve than their less confident counterparts.

We asked marketers to specify their maturity level for each of the 13 CX capabilities shown in the table on the right. Then we cross-tabulated the answers against confidence in their CX strategy (see table in "CX Strategy Needs a Makeover," pg. 3) to determine how confidence in CX strategy compares to maturity in CX capabilities.

ORGANIZATIONAL AND INFRASTRUCTURE CX

The striking thing about the organizational and infrastructure category is that overall, the percentage of marketers who rated themselves as mature in these capabilities was far lower than in the agile and actionable capabilities (mid-20s versus mid- to high-40s).

One standout capability in this group is coordinating CX across all departments. Only 23% of highly confident marketers say this capability is mature. Around 7% of not-so-confident marketers say the same thing. CX is a team sport and marketers control only part of the experience. This means CMOs need to collaborate with other customer-facing departments for a frictionless experience throughout the customer journey.

Recently, AT&T created a CX practice for cross-departmental governance. The group pulls action plans from across the business and lines them up to drive CX improvements. It's coordination but also strategy. The group makes heavy use of metrics to make holistic decisions that will pay off over time. This prevents departments from prioritizing CX actions based on their limited perspective and short-term goals.

PERCENT OF HIGHLY CONFIDENT AND LESS CONFIDENT MARKETERS RATING THEMSELVES AS MATURE IN CX CAPABILITIES

AGILE AND ACTIONABLE CX	HIGHLY CONFIDENT	LESS CONFIDENT
Reacting in real-time with personalized interactions	45%	16%
Turning customer insights into actionable outcomes	50%	17%
Coordinating messages and interactions across all channels	46%	18%
Managing frequency/volume of customer interactions	38%	19%
Balancing personalization and privacy	42%	16%
Attributing marketing actions to conversions	44%	17%
Reacting to changes in consumer/competitive demands	35%	18%

ORGANIZATIONAL AND INFRASTRUCTURE CX	HIGHLY CONFIDENT	LESS CONFIDENT
Coordinating CX across all departments	23%	7%
Adjusting to supply chain issues	23%	17%
Executing against a completely transformed digital infrastructure	26%	5%
Accommodating current digital/physical engagement models	29%	14%
Hiring and retaining digital/analytical skills	38%	10%
Leveraging augmented, virtual, extended, or mixed reality	12%	4%

"We're just going to have to get a lot more comfortable with being a part of the ecosystem that creates the experience rather than feeling like we're doing this alone. If you're looking across the functions, you can see the single biggest pain point or opportunity to differentiate with CX," AT&T's Dietsch says.

Leveraging augmented, virtual, extended or mixed reality had the lowest number of mature ratings across all 13 of the CX capabilities (12%). This is interesting because in the pre-pandemic SAS Experience 2030 report, 42% of brands strongly agreed that they must do more to embrace AR/VR and 54% indicated that they were investing in this.

It is highly possible that the rapid transition to digital and hybrid CX forced brands to focus their efforts on digital and slowed progress on more sophisticated efforts such as AR/VR. Maturity rates on digital transformation and hybrid CX also remain relatively low today. (For more information about these capabilities, see "The Race To The Apex: Hybrid CX," pg. 19.)

AGILE AND ACTIONABLE CX

In general, close to half of highly confident marketers told us that they were mature in all of these CX capabilities. And our observation that highly confident marketers were more than twice as likely to select "mature" in any given CX capability than less confident marketers certainly played out in this category (percentages in the 40s versus percentages ranging from 16 to 19).

Turning customer insights into actionable outcomes had the highest number of highly confident marketers selecting "mature" across all the capabilities at 50% compared to just 17% of less confident marketers saying the same thing. Coordinating messages and interactions across all channels was next at 46% and reacting in real-time with personalized interactions was a close third place at 45%.

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— Alicia Dietsch, senior vice president, business marketing at AT&T

Reacting to consumer or competitive changes was the exception to our observation that around 50% of highly confident marketers labeled themselves as mature for these capabilities as the number dipped to only 35% here.

One company we interviewed, FedEx, has a rigorous process for dealing with this. The key is to go beyond the net promoter score (NPS), which, by itself, does not reveal actionable detail on specific CX areas that need improvement. Instead, FedEx augments NPS with a service performance framework called RATE, which stands for "reliability," "accuracy," "transparency," and "ease of use." RATE provides the information necessary to identify customer demands and react to them quickly to preserve loyalty and satisfaction.

"We want to make sure all parts of the customer journey go flawlessly," says Salil Chari, FedEx senior vice president of marketing and CX. "If something goes go wrong, we want to be in a position to solve those problems quickly."

The good news is that marketers (highly confident marketers at least) are doing fairly well here. When we asked consumers to choose where they thought brands were falling short, some of the least selected CX capabilities were personalized product offerings and communications, consistency of response across all channels, and consistent brand image.

Even better, looking back to the pre-pandemic SAS report, Experience 2030, where 82% of respondents reported that the ability to proactively meet and exceed consumer expectations is directly tied to the ability to capture and analyze real-time data, we can see that marketers have made great progress on these important areas.

Key Action Recommended: CMOs have to address the organizational and cross-functional CX capability areas if they want CX success. This is particularly important given where consumers say brands fall short (see "Where Brands Fall Short," pg. 11).

"We want to make sure all parts of the customer journey go flawlessly. If something goes go wrong, we want to be in a position to solve those problems quickly."

— Salil Chari, senior vice president of marketing and CX at FedEx

WHERE BRANDS FALL SHORT

When we asked consumers where brands fall short, they covered practically every customer-facing department, for us however, falling short on loyalty programs and incentives really stood out.

These are critical CX engines for acquiring personal information through first-party data. More than 80% of consumers say they're willing to share personal information with a brand if they get something of value, such as rewards or discounts. (See "Does Lack of Privacy Erode Trust?," pg. 12.)

Marketers need to look for ways to improve their loyalty programs, says Aileen Burgos, head of CX management at Globe Telecom. The telecom giant's loyalty program, Globe Rewards, is a key pillar of customer loyalty and a driver of digital.

As customers shifted toward digital self-service, Globe Telecom shut down non-digital channels (including SMS) in lieu of its mobile app, called GlobeOne. Global Rewards became an important piece by letting customers redeem offers over GlobeOne.

"CX is geared toward improving the lives of our customers," Burgos says. "When they get to the GlobeOne app, they'll see a wide range of rewards that enable their digital lives, from entertainment to healthcare. Global Rewards is our top driver for digital adoption."

Key Action Recommended: CMOs should prioritize strengthening their loyalty programs, which connects to the growth of first-party customer data, provides true value to customers, and satisfies a highly ranked consumer loyalty driver.

CONSUMERS RANK BRAND SHORTCOMINGS:

Category	%
Low cost	39%
Live person for support	38%
High-quality customer service	33%
High-quality products	31%
Loyalty programs and incentives	27%
Immediate availability/deliverability of products	25%
Privacy practices	25%
Social responsibility	22%
Automated self-service	21%
Consistent brand image	19%
Consistent response across channels	19%
Personalized offerings/communications	18%
Ability to engage/purchase via social media	17%
Support for metaverse	16%

DOES LACK OF PRIVACY ERODE TRUST?

Privacy hangs over marketing's head like the sword of Damocles. It's often left unseen (yet ever present) until a security breach or a creepy experience sends consumer trust crashing down.

Our study found that 2 in 3 consumers don't feel they have control over what brands will do with their data and privacy. More than half say brands don't do a good job of keeping them informed as to how they're using their data and aren't transparent about privacy rules and security breaches.

Privacy practices ranked high among consumers on where brands fall short. And these feelings have remained consistent since the pre-pandemic SAS Experience 2030 report where 61% reported a lack of control and 76% didn't like the amount of data brands collect about them while they search online.

Sounds bad, huh? Not really.

While there's a lot of consumer angst around privacy, it's also on the back burner. Privacy practices ranked low among consumers as to which factors win their loyalty today. In fact, more than 4 in 5 consumers say they're willing to share their personal information as long as they get something in return, such as a reward, discount or personalized offering. This reflects a fairly significant upward trend from Experience 2030 when 46% said they would trade their personal information for something of value.

PRIVACY, INFORMATION SHARING AND TRUST

53% of consumers say brands don't do a good job of keeping them informed on how they're using their data

57% say brands are not transparent about their privacy rules and security breaches

65% say they don't feel they have control over what brands will do with their data and privacy in the future

81% say they're willing to share personal information with a brand if they get something of value

The critical aspect here, though, is the concept of value exchange. When consumers don't see value for the information collected, they feel the lack of control acutely and are well predisposed to act. For proof, brands have to look no further than the opt-in rates for the latest Apple privacy feature, which forces mobile apps to ask for permission before tracking user behavior. According to Statistica.com, opt-ins are averaging around 25% and are not predicted to go much higher.

All of this means marketers need to be careful with privacy when engaging customers. Poorly managed privacy can erode trust over time or suddenly in the case of a creepy experience. Marketers need to strike the right balance between a personalized experience and a creepy one, between data collection policies and value exchange.

"We're in this pivot point where we still rail against Big Brother but are becoming more comfortable with the people we do business with knowing a lot about me," AT&T's Dietsch says.

Key Action Recommended: CMOs should get ahead of consumer concerns by being transparent about privacy rules, security breaches and how they use their data, while also looking closely at the value exchange that they provide, because privacy missteps will hurt consumer trust.

"We're in this pivot point where we still rail against Big Brother but are becoming more comfortable with the people we do business with knowing a lot about me."

— Alicia Dietsch, senior vice president, business marketing at AT&T

HEDGING BETS ON PRIVACY

If a privacy backlash hits, you don't want to be caught in the crosshairs. That's why CMOs are making changes now to their data strategy due to privacy.

Our study found that marketers are changing their customer data collection policies, relying more on first-party data, focusing on personalization, exploring new technology to aid in compliance, and implementing a data ethics plan.

These changes underscore the seriousness of the interplay between privacy and personalization.

With the focus on customer data collection and building out first-party data, as well as getting compliance right, brands should consider a modern CDP that supports integration of data silos, collation of data, and synchronization of online and offline customer behavior. An adaptable and agile data system is able to accept different interconnections and new data sources while still producing fast outputs. (See "Is MarTech Holding You Back?," pg. 17.)

Making better use of first-party data is another key to CX success. With new privacy regulations and the imminent end of cookies, brands will have to focus not only on building out their first-party database, but also on using that data to provide the value exchange that consumers value so highly. (See "Does Lack of Privacy Erode Trust?," pg. 12.) Marketers need this information to create differentiation through personalized experiences. (See "Targeting Without Cookies," pg. 16.)

TOP 5 PRIVACY STRATEGY CHANGES TO IMPLEMENT

1   Customer data collection polices

2   First-party data

3   Personalized product offers and communications

4   New technology to aid in compliance, offset restrictions

5   Data ethics plan

The unpredictable ways in which consumers purchase products has led Jelina Wan, vice president of marketing at Mars Wrigley China, and her marketing team to dig deeper into data analytics. But she's quick to point out that the overarching goal is always to serve the customer.

"The essence of CX is how our brands, product and category connect with consumers and meet their physical or emotional needs," Wan says. "This remains the same no matter if you're in physical times or more digital times."

A data strategy also needs to include a solid data ethics plan to address consumer concerns. Generally speaking, brands haven't done a good job assuaging consumer fears about privacy. Transparency in privacy practices, security breaches and the use of consumer data are important CX factors. (See "Does Lack of Privacy Erode Trust?," pg. 12.)

Key Action Recommended: **CMOs must act now to make sure their data strategy can handle new regulations, the imminent end of cookies, expectations for personalization, and consumer fears about privacy. Those who don't will likely regret it.**

"The essence of CX is how our brands, product and category connect with consumers and meet their physical or emotional needs," Wan says. "This remains the same no matter if you're in physical times or more digital times."

— Jelina Wan, VP of marketing at Mars Wrigley China

TARGETING WITHOUT COOKIES

If your CX strategy isn't preparing for a cookie-less future, you've got a problem. How do you plan to track and target customers in programmatic advertising without cookies? Our survey's top answer is contextual targeting followed by ad experimentation/testing and geotargeting.

But that's just the tip of the iceberg.

High-performing contextual targeting needs foundational data, analytics and AI to support it. Programmatic advertising relies on AI and machine learning, as well as campaign metadata, audience data and KPIs, to determine where to get the most bang for your advertising buck.

With the imminent end of cookies, along with the rise of privacy, demand for data augmentation in programmatic advertising is only going to grow. That's why companies are focusing on building out their first-party data strategy using customer data platforms, data augmentation, and other data collection practices to fill this gap.

"With tightening privacy regulations, it's becoming tougher than ever for marketers to provide that relevant experience without having users to opt-in for tracking," says Nav Thethi, senior manager, web and digital experience, at Hitachi Vantara. "We have to quickly shift gears towards reliable first-party data and cookie-less architecture, and transition to contextualized experiences."

It's a good start, but marketers can do more.

Enter the data collaboration economy, where CMOs work closely with strategic partners and share data while maintaining privacy using various emerging capabilities like data clean rooms. Unfortunately, far too many

CMOs aren't taking advantage of this. Our study shows a surprising indifference toward data co-ops, intent data providers, and shared data services in programmatic advertising. This probably speaks to the fact that many marketers haven't thought enough about having a holistic data strategy.

Buyer intent data, for example, has risen to the top of the list of most relevant marketing data signals, even higher than purchase data, according to a recent CMO Council pulse poll of select marketing leaders. Buyer intent data, which ranked low in our current survey, really needs to be a priority for contextual targeting.

Key Recommended Action: **CMOs should embrace a holistic data strategy, covering internal and external data sources, to fill the data gap in a cookie-less future.**

HOW TO TRACK AND TARGET CUSTOMERS IN A COOKIE-LESS FUTURE

Contextual targeting

Ad experimentation and testing

Geo-targeting

IS MARTECH HOLDING YOU BACK?

Are companies solving their technology problems or making them worse?

In the Experience 2030 Pulse report, 91% of brands said that they were accelerating their efforts in identity resolution and 68% reported accelerating shared customer records for cross-departmental use. In our current study, we asked marketers to describe their top CX technology challenges, and they gave us a data and technology integration nightmare. Even more interesting, when highlighting technology investments, they put analytics, AI and machine learning ahead of a customer data platform (CDP), which can help significantly with data integration.

Let's unpack this.

AI and machine learning are true game changers in marketing. (See "AI's Rewarding Experiences," pg. 21.) Yet, AI and machine learning heavily depend on underlying data to analyze and train on. If the data foundation has too many cracks, then at best AI and machine learning will be less effective. At worst, they can actually cause problems in CX.

Three of the top four challenges — inability to link online and offline customer identities into a single customer profile, inability to integrate customer data sources, and poor data quality — indicate that there are cracks in that data foundation for many. Investing in the data environment should be a priority and a CDP can address all of those challenges.

TOP 6 CX TECHNOLOGY CHALLENGES

1 Non-integrated CX/MarTech

2 Can't integrate customer data sources

3 Can't link online and offline customer identities

4 Poor data quality

5 Lack of technical agility

6 Can't track online behavior

CDP can help with the other top rated martech challenge as well, that is, too many disintegrated CX/marketing technologies. With CDP's expanding capability to encompass multi-channel marketing hubs, integrated marketing suites now have "CDP inside" and are taking a lion's share of the market. According to a Gartner study this year, 60% of marketers prefer an integrated suite over best-of-breed.

Another top area of CX-related technology investment is marketing attribution and measurement. Attribution has always been a focus for marketers, but it's even more so as they lose impression data from cookies and have to rely more on their owned channels for

measurement and attribution. It is not surprising that marketers are investing in this technology.

Key Action Recommended: **If your maturity level is low in data intensive CX capabilities, if you rely heavily on third-party data, or if you have significant integration issues, take a hard look at your data environment. If it is holding you back, bite the bullet and prioritize investment in technologies such as a CDP alongside more sophisticated MarTech.**

TOP 6
CX TECHNOLOGY INVESTMENTS

| Analytics/ AI/ML | Marketing attribution/ measurement | Digital data collection | Customer data platform | Consent management | Real-time personalization |

RACE TO THE APEX: HYBRID CX

We know what lies ahead. We know what keeps marketers up at night. We know what you're planning to do in the next 12 months. We're talking, of course, about creating a powerful "hybrid" experience that blends physical and digital interaction.

But what does hybrid CX really look like? Think of a marketing or CX engagement that infuses in-person activities with digital elements to create a more immersive experience.

In the SAS Experience 2030 Pulse report, taken during the height of the pandemic, consumers were starting to lean into hybrid with more than half indicating preferences for hybrid experiences such as telemedicine and ordering online and picking up curbside. This has not changed. If anything, consumers feel even more strongly about hybrid today with 71% telling the CMO Council that they want a blend of both physical and digital channels.

Brands also recognized the staying power of the emerging hybrid digital/physical engagement model in the SAS Experience 2030 Pulse report with 76% saying that they thought hybrid was here to stay and 83% saying that they were re-thinking how to deliver superior customer experiences because of this. Our survey found consistent results on this issue as well, with 2 in 3 marketing leaders saying it's very important, even extremely important, to deliver hybrid CX to increase personalization, innovation and customer engagement.

HOW IMPORTANT IS DELIVERING HYBRID CX?

35% SAY VERY IMPORTANT

32% SAY EXTREMELY IMPORTANT
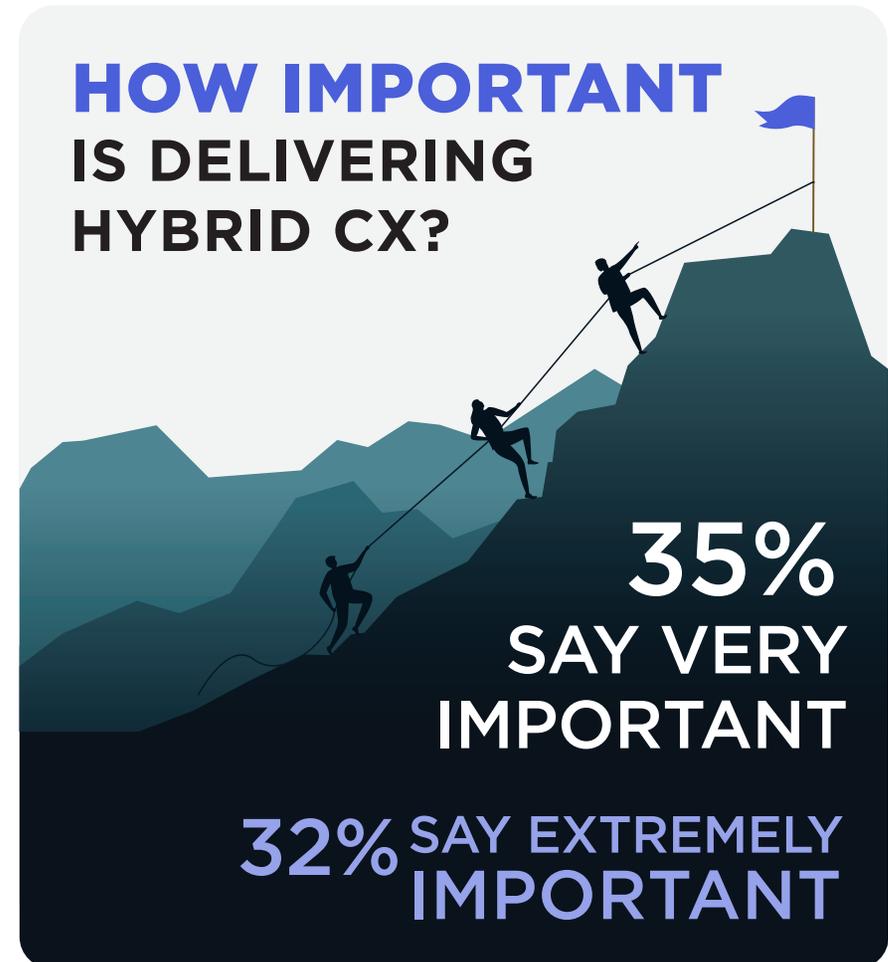
Why does this keep marketers up at night? Because despite the pandemic-era recognition of the importance of hybrid there is still a lot of work to do. More than half (56%) of consumers today say brands aren't very good at delivering a seamless experience across digital (e.g., social, email, mobile, website) and physical (e.g., in-store, call center, live chat). And fewer than 1 in 5 marketers say their hybrid models are mature. (See "Chasing CX Capabilities, pg. 8).

Part of the issue is that it's much easier to deliver hybrid CX on top of a completely transformed digital infrastructure that provides a 360-degree view of the customer and their experience with the brand, but few companies have succeeded in digital transformation. Fewer than 1 in 7 marketers say they have a mature digital infrastructure. (See "Chasing CX Capabilities," pg. 8.)

The good news is that brands are working hard on this. "We need to find the sweet spot for our customers when they want a hybrid experience," says Serra Karaarslan, oncology, biosimilars and marketing excellence lead at Pfizer. "It's normal not to be sure about customer expectations, because they're always changing — and our CX strategy has to change, too."

Key Action Recommended: CMOs should recognize that digital transformation and hybrid CX go hand-in-hand and low maturity in either of these areas can significantly impact the quality of their CX.

HOW WELL ARE BRANDS DELIVERING HYBRID CX?

More than half (56%) answered moderately or worse.

"We need to find the sweet spot for our customers when they want a hybrid experience. It's normal not to be sure about customer expectations, because they're always changing — and our CX strategy has to change, too."

— Serra Karaarslan, oncology, biosimilars and marketing excellence lead at Pfizer

AI'S REWARDING EXPERIENCE

AI's two-punch combo is the stuff of dreams for marketers. On the customer side, AI can serve up better, more rewarding experiences. On the marketing side, AI can produce algorithmically driven attribution that ties CX actions to business outcomes.

Specifically, AI provides advanced data capabilities, such as scenario trade-off simulations and predictive modeling. AI can predict the near future with a high degree of confidence, which will help marketers get out in front of CX and deliver the right experience or content to the right person at the right time in the customer journey.

In our survey, we asked marketing leaders what technology they're investing in to address the digital customer journey, and their top answer was analytics, AI and machine learning. We also asked how they're using or plan to use AI to improve CX, and their top answer was predicting customer behavior and needs. Improving omnichannel messaging, personalization (including hyper personalization), and customizing content also ranked highly in marketing priorities for AI.

These current marketing priorities are consistent with the findings in the pre-pandemic SAS report, Experience 2030, where 49% of marketers strongly agreed and 37% somewhat agreed that their brand engagements with customers would increasingly be through intelligent systems such as AI-powered chatbots.

There's no question that the future of CX runs through AI.

TOP 6 WAYS
AI IMPROVES CX

Predict customer behavior and needs

Uncover frequent customer journeys

Omnichannel messaging

Personalization, customized content

Seamless CX across customer journey

Dynamic customer segmentation/ targeting

AI also has the potential to solve one of marketing's biggest problems: attribution – and marketers know it. Uncovering frequent customer journeys, a significant component of attribution, was the second most popular use for AI in the survey. Algorithmic attribution assigns data-driven conversion credit across all journey-based interactions preceding the conversion and uses machine learning to identify where credit is due.

Specifically, AI analyzes both converting and non-converting consumer paths to uncover the correlations and success factors. The output informs marketers about which touchpoints and sequences of activities drive conversion.

Key Action Recommended: CMOs should seek to exploit data to its fullest potential, improving both CX performance and marketing attribution through AI and machine learning.
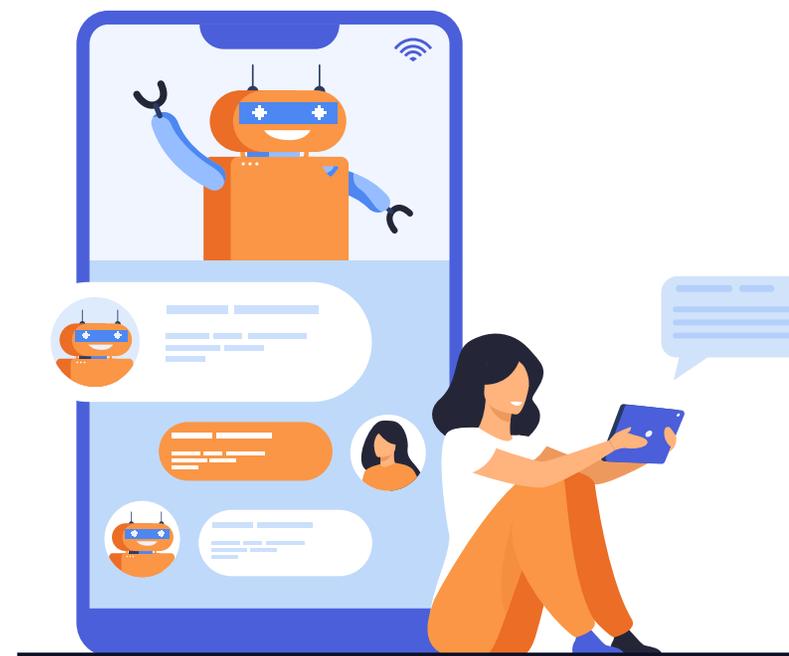
THERE'S NO QUESTION THAT THE FUTURE OF CX RUNS THROUGH AI

VERTICAL VARIANCE

ONE OF THE MOST STRIKING FINDINGS in our study was that for many organizations, CX strategy is crying out for a modern makeover with more than 60% of marketing leaders saying that the digital customer journey has dramatically changed their CX strategy, and nearly two-thirds lacking confidence in their strategies to get the job done (see "CX Strategy Needs a Makeover," pg. 3).

Financial services and retail/CPG companies are hit even harder than other industries in this regard. In financial services, 66% have been very or extremely impacted and 58% have only moderate or less confidence in those changed strategies to win or retain customers. The impacts on retail/CPG are even more significant with 67% changing strategies and 69% lacking confidence in those changes to keep up.

All of this adds up to a clear conclusion: While no industry escaped the digital transition unscathed, both financial services and retail/CPG have work to do to execute a successful CX makeover.
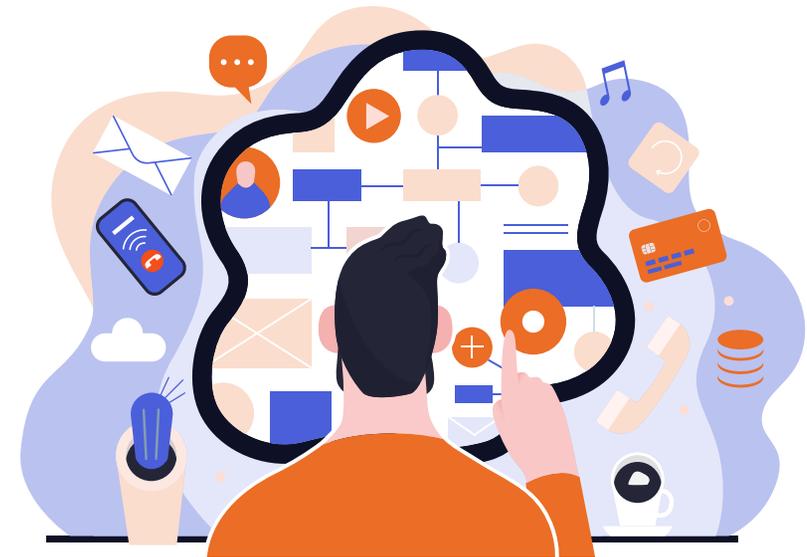
HOW MUCH HAS THE DIGITALIZED CUSTOMER JOURNEY CHANGED YOUR CX STRATEGY?

	EXTREMELY	VERY	MODERATELY	SLIGHTLY	NOT AT ALL
Financial Services	28%	38%	35%	0%	0%
Retail/CPG	27%	40%	14%	14%	6%
All Other Industries	19%	43%	25%	10%	4%

HOW CONFIDENT ARE YOU IN YOUR ORGANIZATION'S CX STRATEGY FOR WINNING AND RETAINING CUSTOMERS?

	EXTREMELY	VERY	MODERATELY	SLIGHTLY	NOT AT ALL
Financial Services	15%	28%	45%	13%	0%
Retail/CPG	6%	25%	48%	15%	6%
All Other Industries	9%	26%	44%	17%	4%

FINANCIAL SERVICES AND RETAIL/CPG COMPANIES TRACK PRETTY CLOSELY to the overall respondent set when it comes to lacking maturity in two capabilities that are critical to providing great CX in the digitized customer journey — executing against a completely transformed digital infrastructure and accommodating current digital/physical engagement models (see "The Race to the Apex: Hybrid CX" pg. 19) although both industries fared worse than the overall respondent set for these capabilities with retail/CPG trailing by a considerable margin.

Turning customer insights into actionable outcomes is another capability worth highlighting where both industries trailed the pack in terms of maturity, with retail/CPG again significantly less mature than the overall respondent set (retail/CPG 16%, all others 31%).

Retailers also trailed the pack in balancing personalization and privacy (retail/CPG 12%, all others 28%) and likewise for financial services in attributing marketing actions to conversions (financial services 21%, all others 27%).

The good news here is that the technology investment priorities for financial services and retail/CPG show that both recognize the importance of these capabilities to CX and are taking steps to facilitate improvements. (See graph in the section below.)

PERCENT OF FINANCIAL SERVICES AND RETAIL/CPG MARKETERS RATING THEMSELVES AS MATURE IN CX CAPABILITIES

AGILE AND ACTIONABLE CX	FINANCIAL SERVICES	RETAIL/CPG	ALL OTHER INDUSTRIES
Reacting in real-time with personalized interactions	25%	23%	27%
Turning customer insights into actionable outcomes	21%	16%	31%
Coordinating messages and interactions across all channels	30%	27%	28%
Managing frequency/volume of customer interactions	25%	29%	25%
Balancing personalization and privacy	23%	12%	28%
Attributing marketing actions to conversions	21%	29%	27%
Reacting to changes in consumer/competitive demands	23%	26%	23%

ORGANIZATIONAL AND INFRASTRUTURE CX	FINANCIAL SERVICES	RETAIL/CPG	ALL OTHER INDUSTRIES
Coordinating CX across all departments	5%	10%	13%
Adjusting to supply chain issues	25%	20%	18%
Executing against a completely transformed digital infrastructure	13%	8%	13%
Accommodating current digital/physical engagement models	18%	12%	21%
Hiring and retaining digital/analytical skills	15%	22%	20%
Leveraging augmented, virtual, extended, or mixed reality	5%	2%	8%

WHEN IT COMES TO TECHNOLOGY CHALLENGES, both financial services and retail/CPG companies identified similar data and technology integration issues to what we found in the overall respondent set (see "Is Martech Holding You Back?" pg. 17) with one notable inclusion in the financial services industry where the number one technology challenge was multiple independent departmental decisioning systems at 53%.

The other challenges in order of priority for financial services were: inability to integrate customer data sources, inability to link online and offline customer identities, and a three-way tie between poor data quality, too many disintegrated CX/marketing technologies, and lack of technical agility.

Retail/CPG identified inability to link online and offline customer identities, too many disintegrated CX/marketing technologies, inability to integrate customer data sources, and poor data quality as their top four.

While not in the top four, multiple independent departmental decisioning systems and inability of decisioning and personalization technologies to meet volume were also significantly higher for retail/CPG than for other industries.

On the investment side, marketing analytics, AI and ML topped the list for both retail/CPG and financial services, paralleling the cross-industry findings and causing us to reinforce our caution that while AI and ML can be true gamechangers for CX, they need a solid data foundation to be truly effective which both industries are lacking based on their challenges.

On a more positive note, it could be that both industries are looking to the advanced analytics capabilities of AI and ML to help them overcome the volume of decisions and disintegrated decisioning technologies plaguing them.

Retail/CPG's next three investment priorities show that they recognize and are addressing these data challenges with customer data platform, programmatic, display advertising (which also addresses the impending demise of the third-party cookie), and digital data collection hitting the top of their lists.

Financial services' remaining technology investment areas track almost identically to our overall findings with marketing attribution/measurement, digital data collection, and customer data platform rounding out their lists.

WHAT ARE YOUR TOP CX TECHNOLOGY CHALLENGES?	FINANCIAL SERVICES	RETAIL/ CPG	ALL OTHER INDUSTRIES
Inability to integrate customer data sources	45%	45%	44%
Inability to track online behavior	35%	31%	39%
Inability to link online and offline customer identities	43%	53%	43%
Real-time data access	35%	24%	34%
Too many disintegrated CX/marketing technology	40%	51%	44%
Too much time between analytical model development and deployment/activation	28%	26%	26%
Poor data quality	40%	45%	44%
Multiple independent departmental decisioning systems	53%	39%	29%
Need to move all data into a marketing cloud or CDP for use in personalization, analytics	25%	18%	19%
Lack of technical agility	40%	37%	38%
Inability of decisioning and personalization technologies to meet volume	20%	31%	20%
Metaverse impact on MarTech stack	3%	8%	9%

WHICH CX TECHNOLOGIES ARE YOU ARE INVESTING IN?	FINANCIAL SERVICES	RETAIL/ CPG	ALL OTHER INDUSTRIES
Customer Data Platform	45%	54%	46%
Identity Management	28%	31%	23%
Marketing Analytics, AI and ML	75%	56%	66%
Real-Time Personalization	30%	33%	31%
Consent Management	35%	39%	33%
Programmatic, Display Advertising	25%	52%	22%
Digital Data Collection	58%	46%	46%
Marketing Attribution/Measurement	65%	44%	52%
Automated Decisioning	30%	27%	17%

SECTION 2
MARKETERS WEIGH IN

EXPERT COMMENTARY

JENNIFER CHASE

Executive Vice President and CMO, SAS

Industry: Technology

After reading "Cracking Tomorrow's CX Code," one thing that's clear is that the future of the customer experience is not one-sided. It will be shaped by both brands and consumers. Each exerts influence on the other.

Consumers demand high-quality, timely customer service. Therefore, brands must connect with customers in real time and establish consistent, interconnected omnichannel responses. Consumers want personalized offers; brands must apply analytics to customer data to better understand their behaviors and deliver compelling, targeted marketing.

Brands need to find ways to stretch every dollar and still deliver high-quality products and services. Consumers want all that at a low-cost but are willing to pay extra if the experience is especially positive. And brands must transform customer data into valuable insights while still proving to consumers that their data privacy is protected.

It's a delicate balance in which both brands and consumers can come out as winners, especially as a large majority of consumers are willing to share their personal information in return for value from the brands. And to help marketers keep their side of the bargain, there's a wealth of technology available that helps deliver greater profitability, customer loyalty and customer understanding.

But the truth is, I've spoken to marketing leaders from across all sorts of industries who have invested heavily in marketing technologies and are still experiencing tech and CX challenges.

One reason could be the piecemeal implementation of disparate and unconnected technology. One of my colleagues referred to this as "random acts of technology." It's the perfect descriptor. Without the strategic integration of technology and a clear understanding of what the goals are, organizations will struggle to deliver experiences that matter to customers – or achieve the business results they seek.

Value is only created when the technology improves the customer experience and makes your job easier. If it's not doing that, it's just getting in the way. When your AI, marketing and other technology are seamlessly connected throughout the enterprise, and there are clearly defined workflows and processes, success is much more likely.

Of course, another factor is that not all marketing technology is created equal. At SAS, we have spent decades listening to our customers and designing purpose-built, intelligent marketing solutions that directly address the biggest challenges they face.

Our customer intelligence software includes a comprehensive customer data platform, which combines online and offline customer information into a single comprehensive profile, detects and reacts to significant digital events in real time, and shows you a clear picture of your customers – revealing details that you might have otherwise missed.

Analytically driven attribution can help marketers stretch budgets by ensuring that marketing activities are focused on customer journeys that lead to conversions. And by infusing advanced analytics throughout the customer journey, you can create personalized customer journeys that boost response rates and generate profitable leads.

After all, marketers are not simply another data touchpoint. We are the musicians, not the notes on the page. Technology is simply there to make sure we all stay in tune and in rhythm.

But we're not perfect. We're human. We're fallible. We get worn out. We get bogged down in small details or miss the bigger picture. We have uncertainty about the decisions we make.

That's why the best marketing technology will not only compensate for those all-too-human traits but accentuate what's best about us. Our creativity. Our tenacity. Our curiosity. Our need for connection.

So, explore and embrace the technology that is changing the world around us. Just be sure to explore and embrace new ideas with the same passion.

Because the status quo should never be a hard line. Being nimble, proactive and open to making changes in structures, processes and technologies is essential. That's the path to creating better experiences for your customers – and new possibilities for your business.

Learn more about SAS solutions for marketing at https://www.sas.com/ci.

"It's a delicate balance in which both brands and consumers can come out as winners, especially as a large majority of consumers are willing to share their personal information in return for value from the brands."

EXECUTIVE PERSPECTIVE

AILEEN BURGOS

**Head of CX Management,
Globe Telecom**

Industry: Telecommunications

As a digital solutions platform in the Philippines with more than 87 million mobile subscribers, Globe Telecom takes customer loyalty seriously.

CX is at the heart of Globe's strategy, which has key components operating in a proactive way: anticipating the customers' needs based on their context especially during this time of pandemic. Globe Rewards is one of Globe's biggest drivers of customer loyalty, with around 80% of its prepaid base actively engaged, and digital adoption.

"CX in Globe is geared toward improving the lives of our customers," says Aileen Burgos, head of CX management at Globe Telecom. "Globe Rewards is our top driver for digital adoption. When customers get to the GlobeOne app, they will see a wide range of rewards that enable their digital lives, from entertainment to healthcare."

But despite having a successful roster of customer loyalty platforms, Burgos says developing a winning CX strategy is based on continually learning and adjusting. The pandemic motivated Globe to adjust their CX strategy to reflect how dependent customers had become on connectivity and digital tools.

At a macro level, Globe had to proactively migrate home connectivity to broadband fiber for greater bandwidth and speeds for Filipino consumers who were working exclusively at home.

On a more tactical level, the pandemic increased digital adoption, which led the Globe cross-functional CX team to enable customers to do more self-service transactions via apps.

"We had to reimagine the role of non-digital channels like the hotline and SMS, as providing a consistent service at scale will be better delivered through digital," Burgos says.

In spite of a broad shift to digital, Globe still has an active phone hotline for customer support. The hotline is largely used for those needed to be cared for the most such as the senior citizens and people affected by calamities. But generally speaking, Burgos is advocating internally for most customer transactions to be done via digital channels.

"We are empowering customers digitally through automation, but many still feel more comfortable talking to a person than a bot," Burgos says. "So our key challenge is to enable our customers to embrace what positive impact leveraging technology has on their everyday lives."

"We are empowering customers digitally through automation, but many still feel more comfortable talking to a person than a bot."

EXECUTIVE PERSPECTIVE

ALICIA DIETSCH

Senior VP, Business Marketing, AT&T

Industry: Telecom

Personalization can be tricky. Not enough, and people get frustrated thinking that the brand doesn't care about them and only wants their money. Too much, and a brand comes off creepy. It's Big Brotherism!

At AT&T, Alicia Dietsch, senior vice president, business marketing, strives to strike the perfect balance — a personalized customer experience that creates differentiation and drives loyalty. "CX is all in the eye of the beholder," she says. "It's all about the idea of 'know me.'"

Customers don't want to tell you what services they're already paying for or where they're located — they want you to know that about them. Dietsch says it's important for marketers to lead with what they already know about the customer, what purchases they've made, what their behaviors suggest, and design an experience around this information.

At the same time, marketers don't want a salesperson to call someone who just downloaded a white paper and offer a proposal. It's a far too specific, creepy experience that can backfire.

"We're in this pivot point where we still rail against Big Brothe but are becoming more comfortable with businesses knowing a lot about us," Dietsch says. "I believe we're going to find even more willingness to accept this idea of 'know me' as we move forward."

Echoing this sentiment, our study found that 82% of consumers say they're willing to share their personal information as long as they get something in return, such as a reward, discount or personalized offering. More than 87% of marketers are seeing the same thing.

However, Dietsch is quick to point out that security of personal information is absolutely paramount, especially in the telecom industry. At times, this means marketing can't use some of the first-party data to affect CX. Privacy and data transparency is key.

"It's a very tough needle to thread to be protective of the data yet create an environment where the customer wants to know that we understand them," Dietsch says.

"We're in this pivot point where we still rail against Big Brother but are becoming more comfortable with businesses knowing a lot about us."

EXECUTIVE PERSPECTIVE

SALIL CHARI

Senior VP, Marketing & CX, Fedex

Industry: Transportation/ E-commerce

FedEx Express (FedEx) ships 14 million packages every day.

That alone could make the transportation giant a customer experience authority, as deliveries require multiple customer interactions while packages travel across air, land and sea.

But even though high-quality customer service is woven into FedEx's DNA, the company is constantly adjusting to changing customer behavior in a digital world.

"More people have been ordering from home because of the pandemic," says Salil Chari, FedEx senior vice president of marketing and customer experience (CX), the Asia Pacific, Middle East and Africa region (AMEA). "Our CX teams had to do a lot of transactional tasks, which reduced their bandwidth for true customer problems."

FedEx has a rigorous process for verifying which are the "true customer problems." To rate customer interactions with FedEx couriers and customer service agents, the FedEx CX team regularly sends out "Moments of Truth Surveys" to customers. The surveys gauge how FedEx employees are doing and determine which customer issues are the most complex.

Chari also leans on net promoter scores (NPS) to measure how customers rate FedEx's overall CX. And finally, to get more granular with measuring CX, FedEx AMEA uses a service performance framework called RATE, which stands for "reliability," "accuracy," "transparency," and "ease of use."

The RATE framework augments NPS scores. On their own, NPS scores do not reveal actionable detail on which specific CX areas need improvement. "NPS just tells if you're doing good or bad, and the high level areas" Chari says.

RATE, on the other hand, provides more detailed insights that will help improve NPS, such as: Were packages delivered on time and, if not, were customers warned? If a customer has issues, how quickly are they resolved? Is the FedEx mobile app and website easy to use?

Going forward, FedEx aims to institutionalize the RATE framework across the entire FedEx organization so that there are agreed-upon global metrics for measuring CX.

"We want to make sure all parts of the customer journey go flawlessly," Chari says. "If something does go wrong, we want to be in a position to solve those problems quickly."

"We want to make sure all parts of the customer journey go flawlessly. If something does go wrong, we want to be in a position to solve those problems quickly."

NAV THETHI

**Senior Manager, Web
& Digital Experience,
Hitachi Vantara**

Industry: Technology

**HITACHI
Inspire the Next**

EXECUTIVE PERSPECTIVE

If five customers convert at the same "moment of truth," does this mean the sixth will follow the same pattern? It's unclear. Maybe the sixth customer's "moment of truth" is different, says Nav Thethi, senior manager, web and digital experience, at Hitachi Vantara.

This is what makes CX so challenging. "There's an emotional aspect that adds weight and truth and needs to be intelligently calculated," Thethi says. "CX is much wider than just digital."

Much relies on marketers filling such data gaps to complete the customer picture.

This first step is data from digital channels showing how customers engage with the brand. When customers land on Hitachi Vantara's channels and start interacting, Thethi looks to identify patterns. This helps his team define personas and gives them an idea on what to focus on.

Hitachi Vantara has thousands of customers and can't learn about each individual customer, which means it must rely on personas. But personas need to go beyond basic information, Thethi says. As Hitachi Vantara learns more about customers, Thethi dynamically maps out, updates and improves personas.

One of the gaps he's filling is the psychology of customers. The goal is to figure out the difference between what customers are saying about the brand and what they're actually doing. In other words, what is the true user intent?

"Even when customers go silent or bounce, by enabling models to predict user intent, we can identify patterns when customers are about to convert or quit," Thethi says. "We can improve our capability with better personalized experiences."

While customers might be talking about their problems and priorities, their words might not be reflected on Hitachi Vantara's touch points. Thethi wants to get better at detecting user intent when customer interact on Hitachi Vantara's digital channels, and so he's looking to AI tools and third-party services to fill this gap.

"The first situation is basic, then this data will be looped in again to improve those personas by mixing in emotional empathetic aspects," Thethi says. "By understanding how customers perceive our brand and business, we can provide a much better experience."

"By understanding how customers perceive our brand and business, we can provide a much better experience."

ZEYNEP SERRA KARAARSLAN

Oncology Biosimilars & Marketing Excellence Lead, Pfizer Turkey

Industry: Healthcare

EXECUTIVE PERSPECTIVE

A biopharmaceutical giant like Pfizer knows all too well about the shape-shifting nature of viruses (See: COVID-19). From a marketing perspective, customer expectations often behave just as unpredictably.

"It's not realistic to be 100% sure about our customer expectations at any time because they are always changing," says Serra Karaarslan, oncology, marketing excellence and biosimilars lead at Pfizer Turkey.

But keeping up with, and staying ahead of, the customer experience is an ongoing challenge for Pfizer's marketing team.

"For instance, some physicians don't use Veeva Systems to join video calls — they prefer Zoom," Karaarslan says. "If our systems are not capable of that, we've lost this experience."

Karaarslan refers to Pfizer's CX as "a living thing" that requires near constant analysis of NPS scores, as well as purchase, engagement and behavioral data.

Pfizer's customer data shows a desire for hybrid customer experiences that combine the physical (e.g., events, face-to-face meetings) with the digital (e.g., video calls, mobile apps, online payments). One unique insight Karaarslan discovered through customer feedback data was that city-centered customers prefer digital communication because they don't want to spend time in traffic.

Pfizer has learned not to measure CX success by the number of touchpoints, rather in the quality of each touch point. Learning that city people prefer a digital experience is important feedback that can be put into action.

To this end, Pfizer has a CX team that evaluates market research and customer data, using internal artificial intelligence (AI) tools, to cross check customer feedback data with historical data.

The CX team works with the brand group to deliver digital content at what Karaarslan calls "the perfect moment." The goal is for digital content to set the table for hybrid experiences.

"We need to find the sweet spot for our customers when they want a hybrid experience, or when they prefer digital," Karaarslan says. "It's normal not to be sure about customer expectations, because they're always changing — but our CX strategy has to change, too."

"It's normal not to be sure about customer expectations, because they're always changing — but our CX strategy has to change, too."

JELINA WAN

VP of Marketing, Mars Wrigley China

Industry: CPG

MARS WRIGLEY
玛氏箭牌

EXECUTIVE PERSPECTIVE

The consumer purchase journey can be hard to track in any industry, but the candy industry may be the hardest.

For Mars Wrigley, the world's leading manufacturer of chocolate, chewing gum, mints and fruity confections, the shift to digital shopping continues to fragment how consumers shop for its products.

When consumers purchase Skittles or Snickers bars, it's usually an impulse buy at a store or an add-on to the virtual cart in a food delivery app. Sweet-tooth consumers are also making purchases via social media platforms such as TikTok Shopping, especially in China where social commerce is rampant, reportedly with sales of $351 billion in 2021.

"The consumer journey is definitely no longer a one-size-fits-all process," says Jelina Wan, vice president of marketing at Mars Wrigley China.

The unpredictable ways in which consumers purchase snacks and candy has led Wan and the Mars Wrigley marketing team to dig deeper into data analytics to identify what are essentially moving targets.

However, audience targeting remains a challenge for Mars Wrigley — and for most CPG brands — because they don't usually have access to point-of-sale (POS) data.

Wan's goal is to use data to put media and content in front of the consumers who purchase Mars Wrigley products more frequently, purchase them in higher volume, or do both. Yet she admits the brand is still searching for the right formula for collecting and assessing customer data, whether they're generating it themselves (first-party data) or purchasing it (second-party data from retailers or research firms).

As Wan and team learn to move from data to insights to delivering the right content to the right audience, they have one overarching goal: serve the customer in their moment of need, whether they're at a grocery store or on TikTok.

"The essence of CX is how our brands, product and category connect with consumers and meet their physical or emotional needs," Wan says. "This remains the same no matter if you're in physical times or more digital times."

"The essence of CX is how our brands, product and category connect with consumers and meet their physical or emotional needs. This remains the same no matter if you're in physical times or more digital times."

EXECUTIVE PERSPECTIVE

JOSEPHINE CHEW

CMO, SFFire Credit Union (Formerly, Wells Fargo

Industry: Finance

Josephine Chew is a sharp-as-a-tack CMO with a big heart. With a huge part of her career taking place in the corporate philanthropy space at Wells Fargo before recently joining SF Fire as their CMO, Chew says that humanization is the key to great customer experience.

"Customers are more than just a number," she says. "In the credit union world, one 'mistake' a customer made in the past can impact their future opportunities – but they're more than that mistake."

She goes on to tell a story about a friend who, thirty years ago, kept getting turned down for mortgages from credit union after credit union, until she had a very human experience at SF Fire. They listened and saw her one mistake didn't define her – so they gave her the loan. By treating this customer like a human, they created an impactful experience that she is still talking about thirty years later – that one interaction changed her life's trajectory, all because the brand prioritized the human element of customer experience.

For brands like SFFire and Wells Fargo, giving back to the community has always been a part of the business model – something important to Chew and her personal values. With the pandemic shaking up the way we go about just about everything, banking was no exception. Customers are increasingly comfortable with things like mobile banking, which by default remove the human element from the experience.

When asked about this, Chew stated her former company, Wells Fargo, found other ways to foster human connection. "For years, Wells Fargo has done food collection drives, but when our branches shut down with the pandemic, we could no longer collect food. Instead, we turned around and started distributing food instead." This opportunity to give back to the community made a huge impact, with 214 events over the course of 10 weeks getting food into the homes of people struggling during COVID.

In less trying times, this human experience may look a little different, but it comes down to one thing: going to the extra mile. The way a friend would go out of their way to make sure you were okay, Chew says that brands have a responsibility to take care of their community in a similar way.

"In the marketing world, we kind of praise the idea of humanization, but that's just how it should be. At the end of the day, when I have a problem, I want a real person to be there helping me – I think everyone does."

"At the end of the day, when I have a problem, I want a real person to be there helping me – I think everyone does."

EXECUTIVE PERSPECTIVE

MELISSA LIM

Regional Head of Brand
& Marketing, Europe
& Americas, Standard
Chartered Bank

Industry: Finance

The banking industry lives at the intersection of the old school and the new.

On one hand, it's a "sticky" business bolstered by long-standing client relationships. But technology is enabling new ways to engage with banks.. Therefore, Standard's main CX priority is building a bridge between the physical and digital experience.

"Before the pandemic, marketing was discussing digital transformation but it hadn't happened yet," says Melissa Lim, regional head of brand and marketing, Europe & Americas at Standard Chartered Bank. "There was a mad rush during the pandemic to get those pieces in place."

Standard ran webinars every week throughout the pandemic and Lim's takeaway was that while digital communication is necessary, there's a hunger for a return to a physical-digital hybrid dynamic. In banking, CX depends as much on face-to-face engagement as it does on personalized emails and ad campaigns.

"During the pandemic we asked: 'How do we bring that in-person energy to a virtual space?'" Lim says. "Nobody solved it."

But as much as people want more physical events and face-to-face engagement, Lim acknowledges that you can't just switch off a digital way of life that's been going on for three years.

As Lim and team become more digitally minded, they also must contend with marketing technology that moves so fast that it's hard for a tightly regulated sector like banking to keep up due to laws, such as GDPR in Europe, that limit personal data collection.

For its part, Standard has embraced a content marketing strategy built around gating content to collect first-party data, generate quality leads, and test its content's effectiveness with target audiences.

"We've kind of doubled down around all the digital engagement, and also the in-person engagement," Lim says. "We are reconsidering what the future looks like with these two things in mind."

"We've kind of doubled down around all the digital engagement, and also the in-person engagement. We are reconsidering what the future looks like with these two things in mind."

EXECUTIVE PERSPECTIVE

DAVE SCHNEIDER

Vice President and CMO, Red Wing Shoe Company

Industry: Retail/CPG

Red Wing Shoe Co. makes top-of-the-line footwear that many people depend on and wear daily while on the job. Proper style, fit and availability are critical. This is where hybrid CX — the blending of physical and digital experiences — in the customer journey matters most.

"It has become more difficult for most brands to differentiate based on product attributes alone," says Dave Schneider, vice president and CMO at Red Wing Shoe Company. "We fundamentally believe customer experience, and especially hybrid CX, is a key dimension of our brand that delivers significant, incremental value."

"Frankly – our business would be much easier to distribute though wholesale alone and not worry about the complexities of selling direct. But we would then lose the opportunity to make a personal connection that allows us to deliver a superior service experience all the while growing customer lifetime value to the business. We know hybrid CX drives stickiness and customer loyalty," Schneider says.

That's why Red Wing Shoe has three, key owned distribution channels: more than 550 brick-and-mortar Red Wing stores in North America, both B2C and B2B e-commerce store fronts, and a fleet of trucks to deliver shoes directly to a job site. The in-person experience is augmented by digital data that matches work environment conditions and safety requirements with an individual's unique foot shape, gait and pressure points through a new foot scanning technology, dubbed the Ultimate Fit Experience, that assess 16 measurements in less than five seconds.

"People are checking out our products online, identifying interests, and walking into a Red Wing store to really understand shoe styles and options," Schneider says. "As we 'own' significant chunks of our distribution ecosystem, we are able to innovate at a much faster pace to stay ahead of consumer requirements that altogether drive a better customer experience and far greater business value."

It's also important for CX to go beyond marketing, Schneider says, since a company needs to holistically orchestrate CX for a frictionless experience.

CX hits on everything from sales, marketing and customer service to product development, cost and supply chain. Yet, a CMO Council study found that only 23% of highly confident marketers and 7% of not-so-confident marketers say coordinating CX across all departments is a mature capability in their organization.

To this end, Schneider works closely across Red Wing Shoe Company's cross functional leadership team and the new, incoming CEO to identify the right strategies and priorities to derive the best customer experience. "Hybrid CX is high priority, super important to me and to our future success at Red Wing," he says.

"We fundamentally believe customer experience, and especially hybrid CX, is a key dimension of our brand that delivers significant, incremental value."
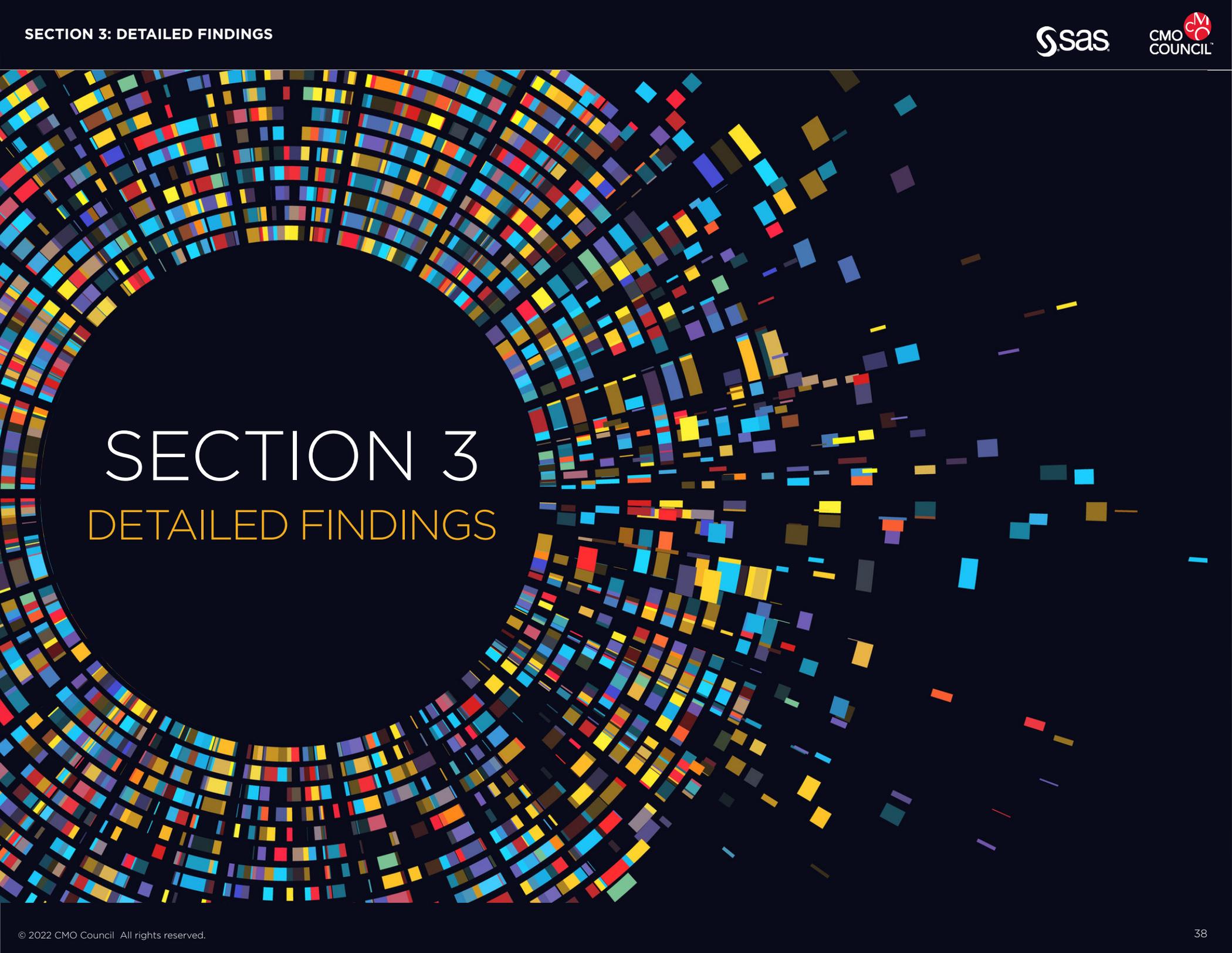
SECTION 3
DETAILED FINDINGS

DETAILED FINDINGS
MARKETER SURVEY

Q1

HOW CONFIDENT ARE YOU IN YOUR ORGANIZATION'S CX STRATEGY FOR WINNING AND RETAINING CUSTOMERS GIVEN TODAY'S DIGITALIZED CUSTOMER JOURNEY AND HEIGHTENED CONSUMER EXPECTATIONS?
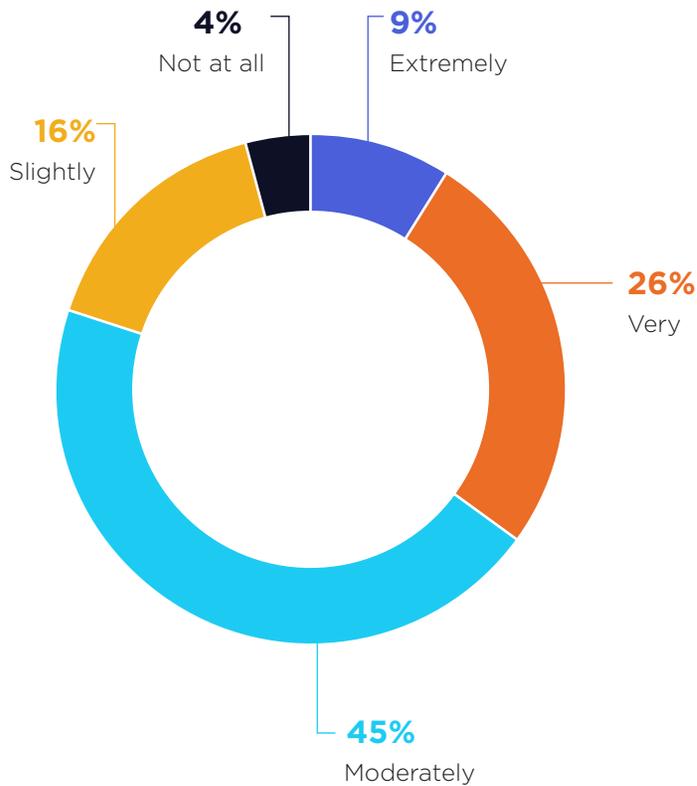
4%
Not at all

9%
Extremely

16%
Slightly

26%
Very

45%
Moderately

Q2

HOW MUCH HAS THE DIGITALIZED CUSTOMER JOURNEY CHANGED YOUR CX STRATEGY?

9%
Slightly

4%
Not at all

21%
Extremely

25%
Moderately

42%
Very
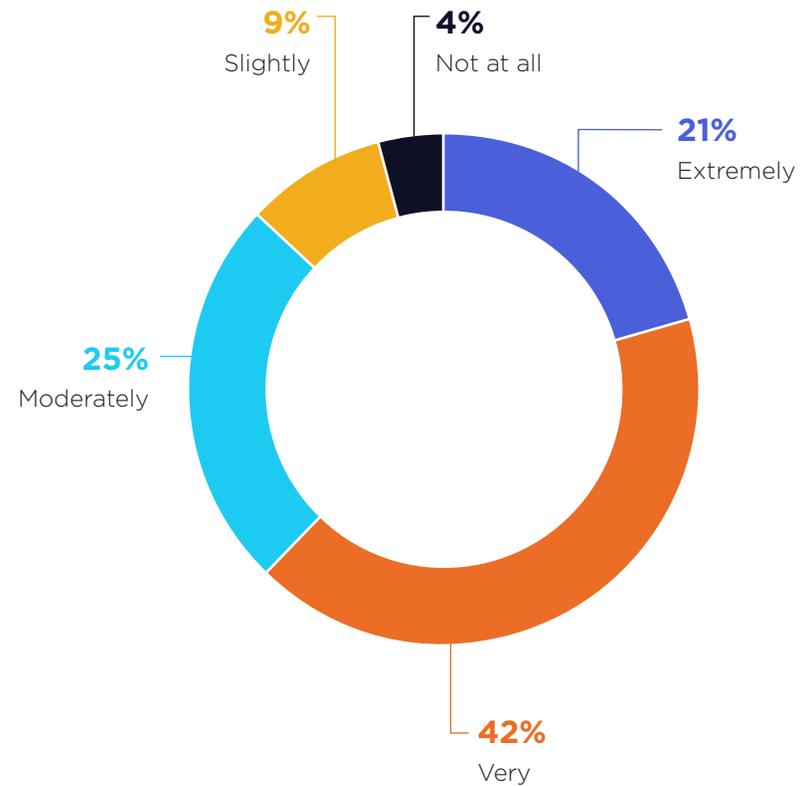
Q3

CUSTOMER LOYALTY PROVED TO BE FLEETING DURING THE PANDEMIC, PARTICULARLY WITH DIGITAL ENGAGEMENTS. WHAT DO YOU BELIEVE ARE THE MOST IMPORTANT DRIVERS OF LOYALTY TODAY? (SELECT TOP FIVE)

70% High quality customer service e.g., one call/visit problem resolution

63% High quality products

50% Consistency of response across channels – online, offline and social

45% Personalized product offers and communications

34% Consistent brand image

34% A live person on the phone to answer questions or provide support

33% Immediate availability/delivery of products

24% Loyalty programs and incentives

23% Automated self-service options, e.g., chatbots, mobile apps...

23% Social Responsibility / Supporting Worthy Causes / Emphasis on Diversity and Inclusion

21% Low cost

17% Ability to interact with company/purchase via social media channels

9% Privacy practices

2% Support for the metaverse

Q4

OUT OF THE BELOW CX OUTCOMES, HOW WOULD YOU RANK YOUR MATURITY WITHIN YOUR ORGANIZATION?

	MATURE	WORKING ON IT	OUT OF REACH
Reacting in real-time with personalized interactions	26%	62%	12%
Turning customer insights into actionable outcomes	28%	66%	6%
Coordinating messages and interactions across all channels	28%	64%	8%
Managing frequency/volume of customer interactions	25%	66%	8%
Balancing personalization and privacy	25%	64%	11%
Attributing marketing actions to conversions	27%	60%	13%
Reacting to changes in consumer/competitive demands	24%	68%	9%
Coordinating CX across all departments	12%	65%	22%
Adjusting to supply chain issues	19%	64%	18%
Executing against a completely transformed digital infrastructure	13%	64%	23%
Accommodating current digital/physical engagement models	19%	69%	12%
Hiring and retaining digital/analytical skills	20%	66%	15%
Leveraging augmented, virtual, extended, or mixed reality	7%	40%	53%

Q5

IN A COOKIE-LESS FUTURE, HOW DO YOU PLAN TO TRACK AND TARGET CUSTOMERS WITH PROGRAMMATIC ADVERTISING? (SELECT TOP THREE)

63% Contextual targeting

39% Ad experimentation and testing

34% Geotargeting

30% Advertising creative

29% In-house programmatic

28% Private marketplaces or shared data services

20% Intent data providers

14% Data co-ops

8% Over-the-top advertising (e.g., streaming)

6% Out-of-home advertising (e.g., billboards)

Q6
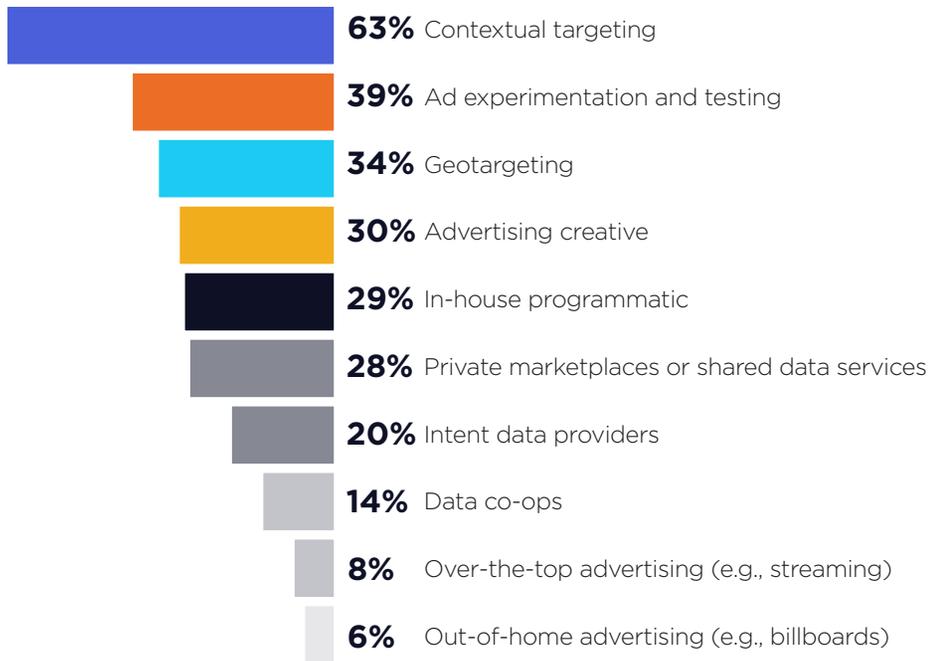
DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS ABOUT WHAT INFLUENCES CONSUMER FEELINGS ABOUT PRIVACY, INFORMATION SHARING AND TRUST?

	AGREE	DISAGREE
Most people are willing to share their personal information if we give them something of value	87%	13%
Generational differences (Millennials, Gen Z, Gen X, Boomers) influence how consumers feel about privacy	88%	12%
Demographics other than age (education, employment, income, zip code) influence how consumers feel about privacy	88%	12%

Q7

WHAT TYPE OF CHANGES IN STRATEGY HAVE YOU MADE OR PLAN TO MAKE DUE TO PRIVACY? (SELECT ALL THAT APPLY)

69% Changes in customer data collection policies

50% Implementing a first-party data strategy

47% More focus on personalizing product offers and communications

42% Exploring new technology to aid in compliance, offset restrictions

38% Implementing a data ethics plan

33% Changes in how we measure marketing ROI

31% Offering incentives in exchange for personal information and or opt-in from customers

22% Changes in programmatic ad spending

10% Less focus on personalization

Q8

WHICH TECHNOLOGIES ARE YOU INVESTING IN TO ADDRESS THE DIGITAL CUSTOMER JOURNEY? (SELECT ALL THAT APPLY)

65%	Marketing analytics, AI and ML
52%	Marketing attribution and measurement technology
47%	Digital data collection and personalization technology
47%	Customer data platform technology
34%	Consent management technology
31%	Real-time personalization technology
26%	Programmatic, display advertising technology
24%	Identity management technology
20%	Automated decisioning technology

Q9

WHAT ARE YOUR TOP CX TECHNOLOGY CHALLENGES? (SELECT TOP FIVE)

45%	Too many disintegrated CX/marketing technologies
44%	Inability to integrate customer data sources
44%	Inability to link online and offline customer identities into a single customer profile
44%	Poor data quality
38%	Lack of technical agility — too many older legacy applications
37%	Inability to track online behavior at the customer level
33%	Multiple independent departmental decisioning systems
32%	Real-time data access
26%	Too much time between analytical model development and deployment/activation
22%	Ability of decisioning and personalization technologies to scale to meet volume of decisions and amount of data
19%	Need to move all data into a marketing cloud or CDP for use in personalization, analytics
8%	Metaverse impact on MarTech stack

Q10

HOW ARE YOU USING OR PLAN TO USE AI TO IMPROVE CX? (SELECT ALL THAT APPLY)

60% Predict customer behavior and needs

47% Uncover frequent customer journeys

45% Improve omnichannel messaging

40% Personalization, even hyper-personalization

37% Customize content

37% Seamless CX through customer journey stages

36% Dynamic customer segmentation and targeting

32% Recommend products and services

31% Identify root cause of CX problems

29% Enabling self-service

28% Identity and head off churn

26% Create content

26% Real-time decisioning

23% Improve MQLs (e.g., chatbots)

Q11

HOW IMPORTANT IS DELIVERING HYBRID CX — AN INTEGRATION OF PHYSICAL AND DIGITAL — DURING THE NEXT 12 MONTHS TO INCREASE PERSONALIZATION, INNOVATION, CUSTOMER ENGAGEMENT?

7%
Slightly

3%
Not at all

23%
Moderately

32%
Extremely

35%
Very

Q12

IN 2022, WHAT DO YOU ESTIMATE THE ANNUAL USD REVENUE OF YOUR FIRM WILL BE?

13%
Greater than $5 billion

10%
$1.1 billion to $5 billion

60%
$500 million

6%
$751 million to $1 billion

11%
$500 to $750 million
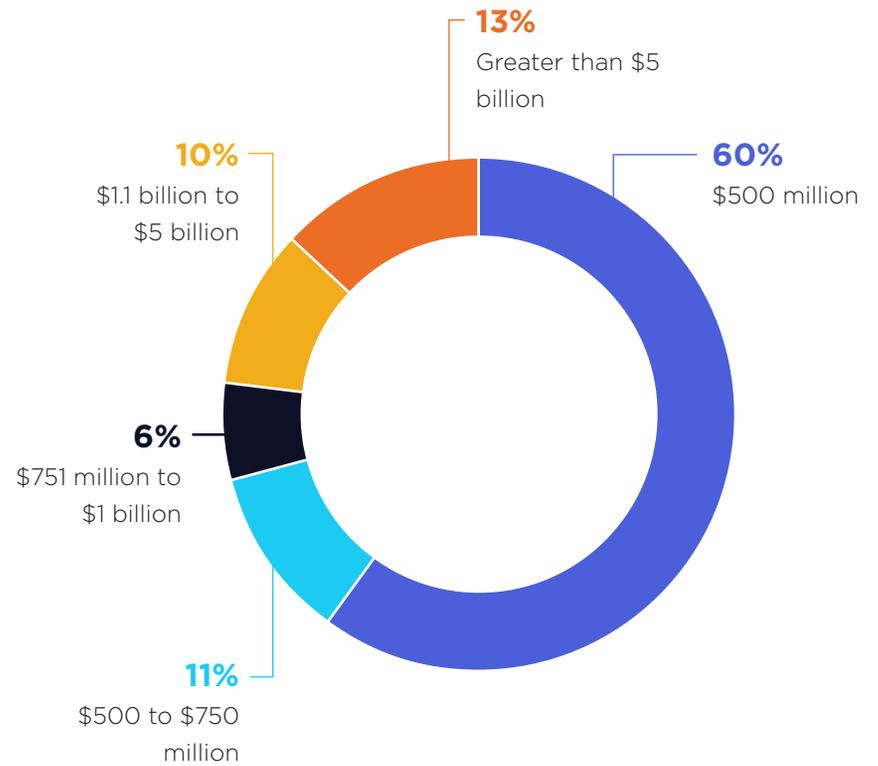
Q13

WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOUR COMPANY'S PRIMARY BUSINESS MODEL IN 2022?

25%
Hybrid

52%
Business to
Business

23%
Business to
Consumer

Q14

WHAT IS YOUR TITLE?

26% Chief Marketing Officer

15% SVP/EVP of Marketing

14% Director of Marketing

14% VP of Marketing and/or Sales

7% VP of Customer Experience

7% Chief Experience Officer

7% Other

4% VP of Marketing Operations

3% Director of Marketing Analytics

2% Director of Marketing Operations
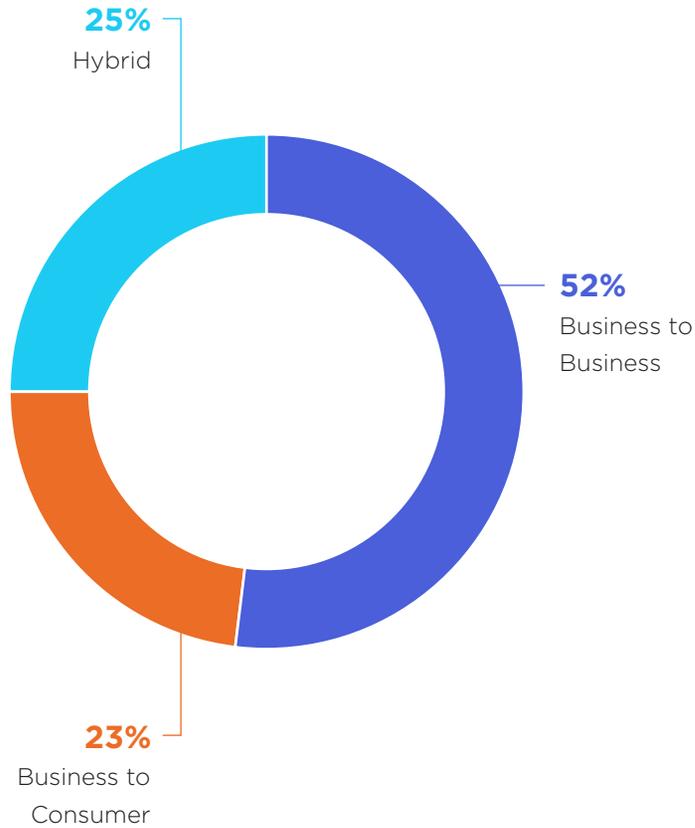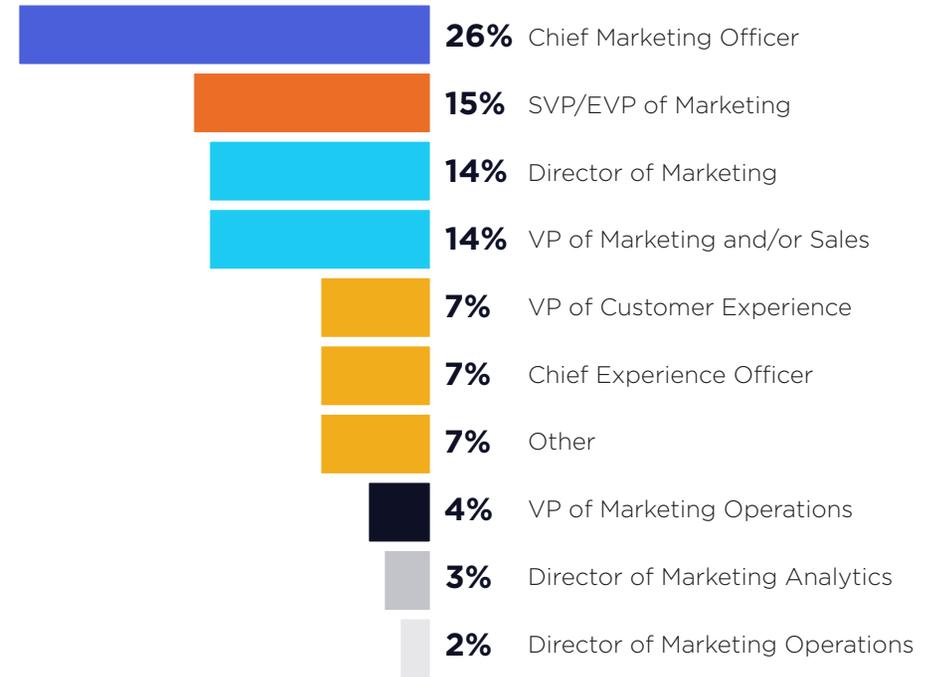
Q15

WHAT BEST DESCRIBES YOUR COMPANY'S INDUSTRY SECTOR?

20%	Professional Services
15%	High Tech
12%	Other
10%	Financial Services
7%	Consumer Products
5%	Health / Pharmaceuticals
5%	Manufacturing
5%	Media / Entertainment
5%	Retail
4%	Hospitality
4%	Telecom
3%	Non-Profit / Government
1%	Construction
1%	Environmental, Utilities, Oil/Gas
1%	Shipping
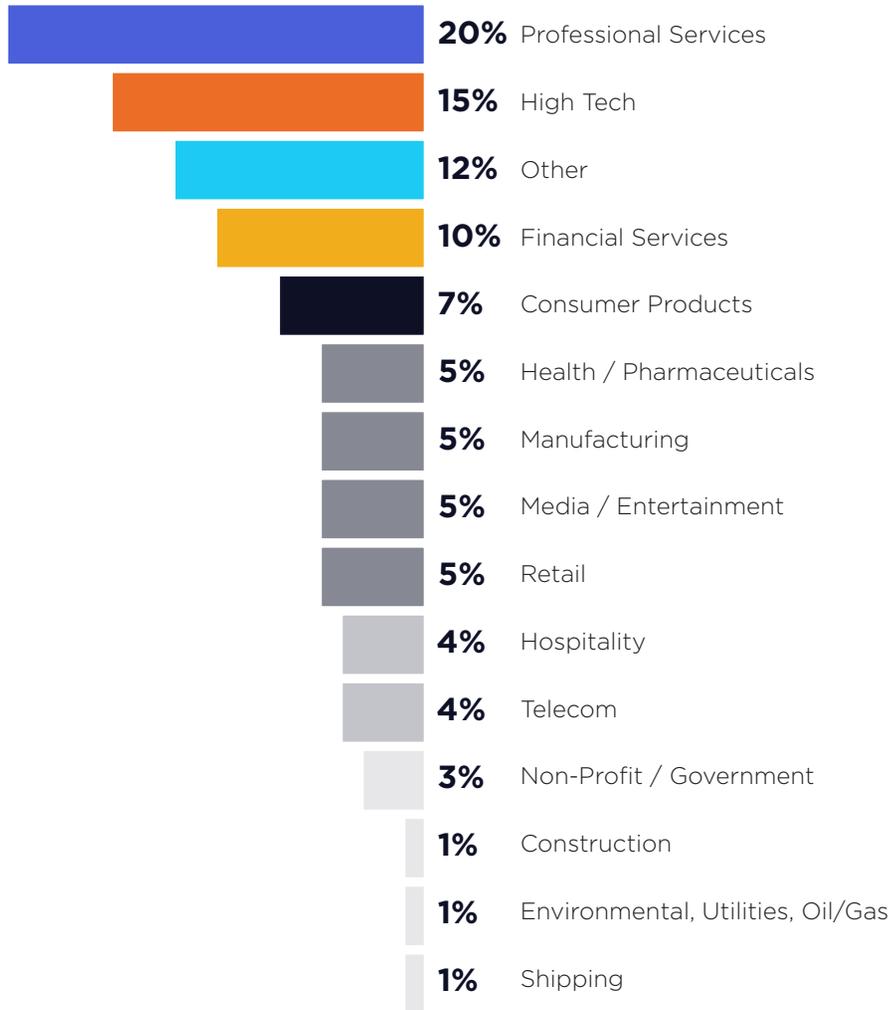
Q16

IN WHICH REGION ARE YOU BASED?

39%	U.S.
26%	Europe
22%	Asia Pacific
7%	Canada
6%	Latin America
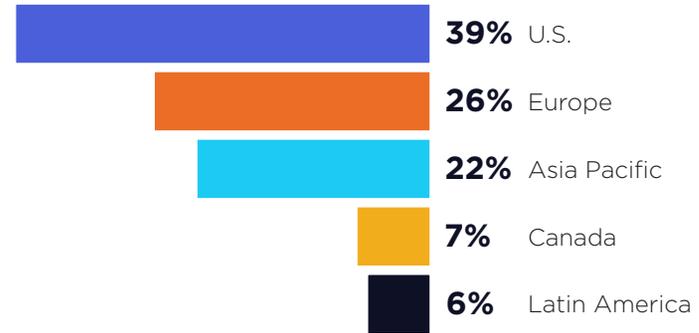
DETAILED FINDINGS

CONSUMER SURVEY

Q1

GIVEN THE EMPHASIS OF ONLINE INTERACTION AND HEIGHTENED CONSUMER EXPECTATIONS, HOW STRONGLY DO YOU FEEL BRANDS ARE DELIVERING THE RIGHT CUSTOMER EXPERIENCE TO WIN AND RETAIN YOUR BUSINESS?

5% Slightly

1% Not at all

42% Moderately

16% Extremely

36% Very
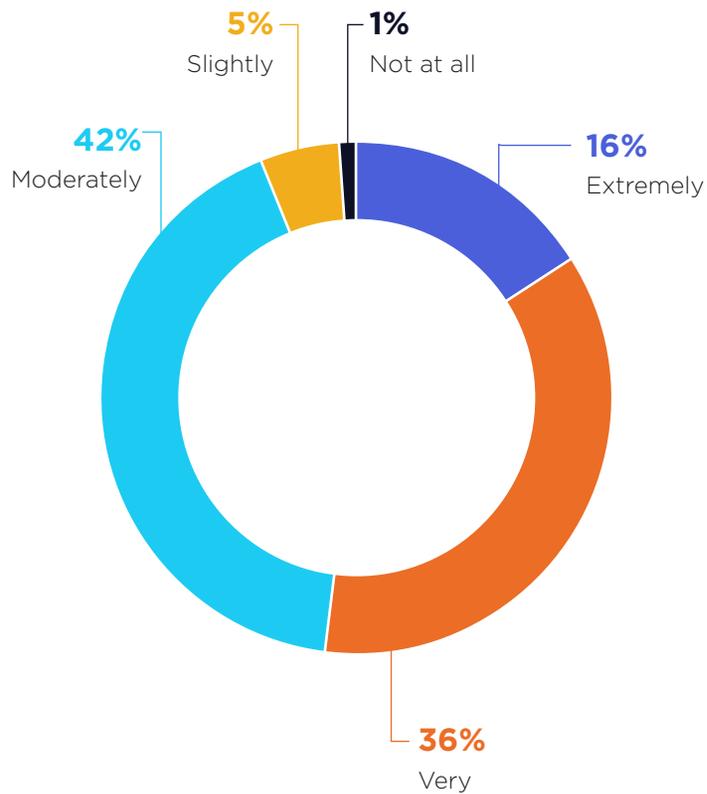
Q2

DO YOU FEEL THAT BRANDS IMPROVED THEIR DIGITAL OFFERINGS DURING THE PANDEMIC (E.G., ONLINE SHOPPING, TELEHEALTH, CUSTOMER SERVICE, ONLINE BANKING)?

7% Slightly

2% Not at all

23% Moderately

24% Extremely

44% Very

Q3

WHICH INDUSTRIES DO YOU FEEL IMPROVED THEIR DIGITAL OFFERINGS DURING THE PANDEMIC?

60% Retail

48% Banking

48% Healthcare

31% Hospitality

22% Travel

20% Insurance

Q4

WHAT ARE THE MOST IMPORTANT FACTORS FOR A BRAND TO WIN YOUR LOYALTY TODAY? (SELECT TOP FIVE)

71% High-quality products

56% Low cost

47% Loyalty programs and incentives

44% High-quality customer service (e.g., fast problem resolution)

31% Immediate availability/delivery of product or service

30% Live person on the phone to answer questions/provide support

19% Automated self-service options (e.g., chatbots, mobile apps)

19% Social responsibility (e.g., supporting worthy. Causes, emphasis on diversity and inclusion)

14% Consistent brand image

14% Privacy practices

13% Ability to engage with brand or make purchases via social media channels

12% Personalized product offerings and communications

11% Consistency of response across channels (e.g., online, offline, social)

6% Support for metaverse

Q5

WHERE DO YOU FEEL BRANDS ARE FALLING SHORT? (SELECT TOP 5)

39% Low cost

38% Live person on the phone to answer questions/provide support

33% High-quality customer service (e.g., fast problem resolution)

31% High-quality products

27% Loyalty programs and incentives

25% Immediate availability/deliverability of product or services

25% Privacy practices

22% Social responsibility (e.g., supporting worthy causes, emphasis on diversity and inclusion)

21% Automated self-service offerings (e.g., chatbots, mobile apps)

19% Consistent brand image

19% Consistency of response across channels (e.g., online, offline, social)

18% Personalized product offerings and communications

17% Ability to engage with brands or make purchases via social media channels

16% Support for the metaverse

Q6

DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS ABOUT CONSUMER PRIVACY, INFORMATION SHARING AND TRUST?
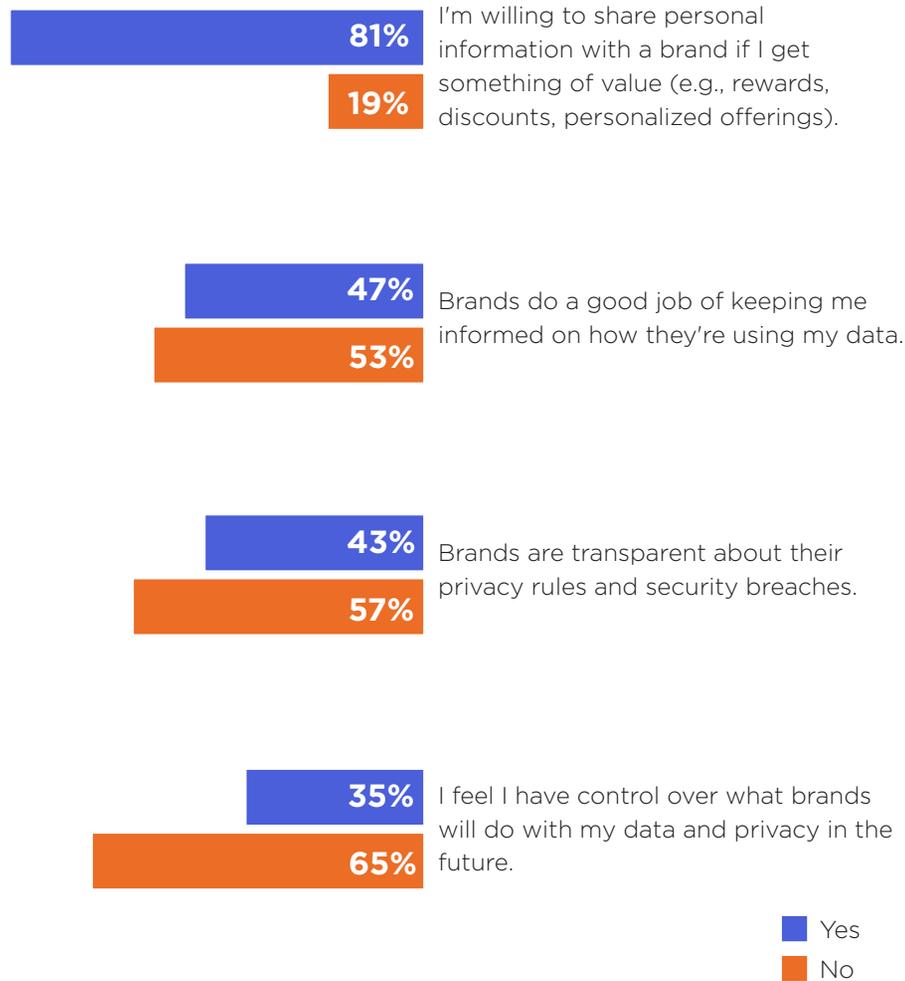
Q7

HOW WELL ARE BRANDS DELIVERING A SEAMLESS EXPERIENCE ACROSS DIGITAL (E.G., SOCIAL, EMAIL, MOBILE, WEBSITE) AND PHYSICAL (E.G., IN-STORE, CALL CENTER, LIVE CHAT)?

81% / **19%** — I'm willing to share personal information with a brand if I get something of value (e.g., rewards, discounts, personalized offerings).

47% / **53%** — Brands do a good job of keeping me informed on how they're using my data.

43% / **57%** — Brands are transparent about their privacy rules and security breaches.

35% / **65%** — I feel I have control over what brands will do with my data and privacy in the future.

■ Yes
■ No

7% Slightly
2% Not at all
47% Moderately
11% Extremely
34% Very

CONSUMER DEMOGRAPHICS

45% MALE

55% FEMALE

AGE

10.05%
>54
201 respondents

12.50%
45-54
485 respondents

24.25%
35-44
485 respondents

30.75%
25-34
615 respondents

22.45%
18-24
449 respondents

LOCATION

8%
Latin America
160 respondents

7%
Canada
140 respondents

25%
Asia-Pacific
500 respondents

35%
United States
700 respondents

25%
Europe
500 respondents

SECTION 4

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