

# Why CX? Why Now?

Use Our Infographic To Get Your Executives To Back You

by Maxie Schmidt-Subramanian and Samuel Stern

October 5, 2016

## Why Read This Report

Despite growing interest in the discipline, many business leaders still pay only lip service to customer experience (CX), leaving experience improvement either underfunded or on the cutting-room floor. To help CX pros change that, this report provides the key arguments they need to convince their colleagues and executives that CX is not only valuable but also critical to business success. And to really hammer the point home, the infographic included in the report should help communicate viscerally the value of customer experience.

## Key Takeaways

### **Transforming CX Is More Important Than Ever**

Powerful forces, including the threat of digital disruption, hyperadoption by consumers, and the rising share of Millennials in the workforce, create strong pressure to speed up CX transformation efforts.

### **Most Companies Have A Long Way To Go And Must Accelerate Their CX Efforts**

Despite paying lip service to CX, only one in five experiences are good or excellent. That's because firms face organizational challenges and lack customer experience management maturity. To consistently deliver great experiences, firms need to create a CX vision and strategy, assess their CX performance and management maturity today, as well as create the technology foundation for delivering great CX.

### **Share The Business Benefits Of CX To Get Buy-In**

Every company in every industry can leverage great customer experiences for business gain. Depending on your business, the benefits of CX may include higher customer retention; faster revenue growth; the ability to command a price premium; lower operating costs; less regulatory pressure; and more engaged employees.

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by [Maxie Schmidt-Subramanian](#) and [Samuel Stern](#)  
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### Notes & Resources

Forrester used existing research into the business impact of customer experience; interviews with companies, including Clarabridge and Nuance Communications; data from a number of surveys among customer experience professionals; as well as data from Forrester's Customer Experience Index Online Survey, US Consumers 2016 to write this report.

### Related Research Documents

[The CX Transformation Imperative](#)

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## Transforming Customer Experience Is More Important Than Ever

CX pros must convince their executives and colleagues that now is the time to double down on improving their customer experience — how their customers perceive interactions with the firm (see Figure 1). There's more pressure than ever to speed up CX transformation efforts because:

- › **Digital disruption lowers barriers to entry.** Innovative market entrants like Airbnb, Netflix, and Tesla Motors have created previously unimaginable value in and beyond their industries using new digital tools and systems. Even the famously hidebound financial services industry is susceptible to hockey-stick-shaped digital disruption. From Q4 2014 to Q4 2015, the top nine social lending platforms in the US and UK originated loans worth nearly \$17 billion, nearly four times the value of the total loans that they had originated since the earliest of them started up in 2009.<sup>1</sup>
- › **Hyperadoption reduces customer loyalty.** Today's consumers rapidly and simultaneously adopt unprecedented new behaviors. As a result, incumbent companies suffer as their customers flock to startups like WhatsApp, with its 1 billion users, or Uber, which now operates in more than 60 countries. WhatsApp, for example, costs existing telecommunications firms hundreds of billions of dollars in revenue.<sup>2</sup> And the average number of trips per taxi in San Francisco dropped 65% following Uber's entry to the market.<sup>3</sup> To keep customers connected to their brands, companies must rapidly innovate their customer experiences.
- › **A changing workforce makes it harder to retain talent.** Employees are happiest at work when they have a sense of purpose. This is especially true for Millennials, who have just overtaken Generation X as the largest generation in the US workforce.<sup>4</sup> Providing better customer experience gives those employees that sense of purpose. Without it, they'll be less satisfied in their jobs, resulting in higher employee turnover.<sup>5</sup>

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**FIGURE 1** Forrester’s CX Infographic Helps CX Professionals Prove The CX Imperative

# Why CX? Why Now?

**Customer experience** is how customers perceive their interactions with your company.

## THE URGENCY TO INVEST IN CUSTOMER EXPERIENCE

<p><b>Digital disruption lowers barriers to entry.</b></p> 	<p>Netflix has 65 million subscribers, about 3 times more than Comcast.</p>
<p><b>Hyperadoption reduces customer loyalty.</b></p> 	<p>San Francisco has seen a 65% drop in average trips per taxi following Uber’s entry to the market.*</p>
<p><b>A changing workforce makes it harder to retain talent.</b></p> 	<p>With over 53.5 million workers, Millennials surpassed Gen X as the largest generation in the workforce.†</p>

Source: “Overview,” Netflix and “Comcast Overview,” Comcast

\*Source: Jacob Davidson, “Uber Has Pretty Much Destroyed Regular Taxis in San Francisco,” Time, September 18, 2014

†Source: Richard Fry, “Millennials surpass Gen Xers as the largest generation in U.S. labor force,” Pew Research Center, May 11, 2015

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**FIGURE 1** Forrester’s CX Infographic Helps CX Professionals Prove The CX Imperative (Cont.)


**MOST COMPANIES HAVE A LONG WAY TO GO**





**Top four challenges facing CX professionals**





**Firms lack discipline in the six competencies to execute great CX consistently.†**


**CUSTOMER UNDERSTANDING**   
 Only **16%** believe their customer-facing employees can summarize the full arc of the experience.

**DESIGN**   
 Only **36%** require prototyping and iteration.

**MEASUREMENT**   
 Only **50%** have modeled how overall CX quality influences customer behavior.

**PRIORITIZATION**   
 Only **49%** know what key experiences are.

**DELIVERY**   
 Only **33%** of firms require soft-skills training for customer-facing employees.

**CULTURE**   
 Only **33%** formally evaluate how customer-centric executives are before offering them a job.

Base: 56 global customer experience leaders

\*Base: 122,500 US online adult customers (18+) of at least one industry who interacted with that industry within the past 12 months (bases vary by industry)

†Base: 212 US-based CX professionals

Source: Forrester’s Q4 2015 Forrester/Heidrick & Struggles Global Evolved CMO/CCO Online Survey (Twenty percent of respondents do not know the size of their organization’s budget for CX initiatives.)

\*Source: Forrester’s Customer Experience Index Online Survey, US Consumers 2016

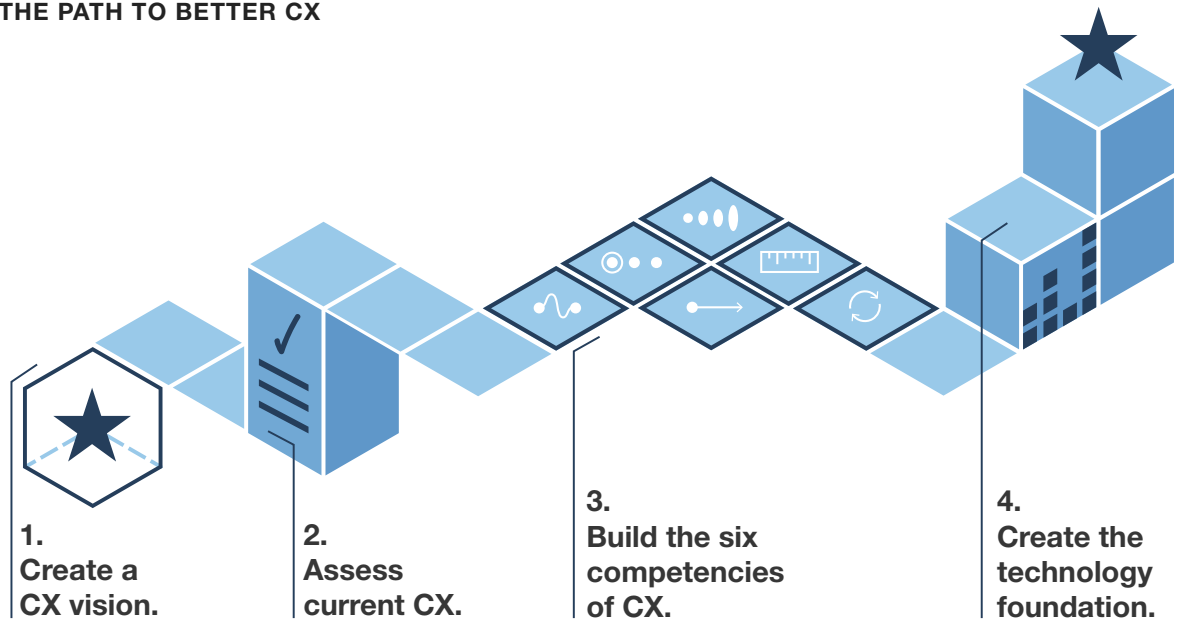
†Source: Forrester’s Q4 2015 US Customer Experience Maturity Online Survey

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**FIGURE 1** Forrester's CX Infographic Helps CX Professionals Prove The CX Imperative (Cont.)

**THE PATH TO BETTER CX**



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**FIGURE 1** Forrester's CX Infographic Helps CX Professionals Prove The CX Imperative (Cont.)**GREAT CX DRIVES BUSINESS RESULTS****FORRESTER CAN HELP FOCUS YOUR CX EFFORTS**

Forrester can help prioritize initiatives that will deliver results and create sustainable change.

**Analysts and consultants****Research****CX Cast****CX INDEX®**

Source: Forrester analysis of US Securities and Exchange Commission filings by Amazon, AT&T, Charles Schwab, Comcast, E-Trade, Edward Jones, Morgan Stanley, Southwest Airlines, United Airlines, and Walmart from 2010 to 2015

\*Source: Forrester's Customer Experience Index Online Survey, US Consumers 2016

†Source: "2012 Global Workforce Study," Towers Watson, July 2012

‡Source: Ryan Nelson, "1-800-CONTACTS Increases Net Promoter Score by 13 Points, Wins Innovation in Service Excellence Award," Qualtrics, June 29, 2015

§Source: "Southwest Corporate Fact Sheet," Southwest Airlines

\*\*Source: Forrester interview with Nuance Communications, September 1, 2016

**But Most Companies Have A Long Way To Go**

The importance of customer experience for creating business value and competitive advantage isn't lost on most executives: 84% of CX pros work at firms that place a higher priority on customer experience than they did two years ago.<sup>6</sup> While there are certainly CX "stars," only about one in five brands in Forrester's US Customer Experience Index (CX Index™) 2016 received "good" or "excellent" scores from their customers.<sup>7</sup> The results were similar in the UK, India, and Australia and worse in Germany and France.<sup>8</sup> That's because:

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- › **CX leaders face serious organizational challenges.** In a study of CX executives by Forrester and global executive recruiting firm Heidrick & Struggles, the four most common challenges to success that respondents cited all referenced conditions in the broader organization.<sup>9</sup> More than half of CX pros said that their organization's culture impedes their success; 45% cited organizational structure, 41% referenced organizational processes, and 38% noted peer support and alignment as major challenges to success. The upshot? CX pros need executive support in tackling these issues.
- › **Firms lack essential CX management competences.** A survey of CX professionals shows that few companies systematically practice the core CX management (CXM) competencies needed to deliver consistently good CX.<sup>10</sup> The lack of maturity is evident in superficial customer understanding efforts and the lack of human-centered design practices in many firms. Added to that, many CX measurement efforts can't answer critical questions about the experience and CX pros struggle to prove the link between CX and financial results. When it comes to investment decisions, most firms don't prioritize projects across the organization by their impact on CX. And firms don't proactively manage experience delivery because they lack essentials like training frontline employees in soft skills.<sup>11</sup>

## Companies Must Accelerate Their CX Efforts

To boost business success, CX pros must accelerate their customer experience efforts in four steps:

1. **Create a CX vision.** CX pros first need to develop a shared understanding of the future customer experience their firm wants to deliver and how this experience will help the company drive business success. Formalizing this in a customer experience vision provides all executives, managers, and employees with the same aspirational goal to work toward. To develop a CX vision, CX pros must work with their organization to identify target customers and their needs and expectations — then envision future experiences that will resonate.<sup>12</sup>
2. **Assess CX performance and prioritize improvements.** CX pros need to measure the state of CX against their defined vision and then prioritize initiatives to close the gap between the current and desired states. This will help improve the experience for their most important customers in the moments or journeys that have the maximum effect on those customers' overall relationship with the company.
3. **Assess and enhance CX management maturity.** CX pros must further assess their firm's capacity to consistently deliver on their CX vision. That means assessing whether their firm has the required capabilities in the six competencies of customer experience: customer understanding, prioritization, design, delivery, measurement, and culture. Knowing where they stand, they can then build a plan that transforms an ad hoc set of activities into a self-improving CX management machine.<sup>13</sup>
4. **Create the technology foundation for delivering great CX.** To overcome the challenges that legacy technology systems pose for CX transformations, firms must invest in their business technology agenda — the technology, systems, and processes to win, serve, and retain



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customers.<sup>14</sup> Specifically, firms need three types of technologies to deliver differentiated customer experiences: systems of insight that help understand customers; systems of engagement that help connect with customers; and supporting technologies that power insights and engagement.<sup>15</sup>

**Recommendations**

## To Get Buy-In, Share The Business Benefits Of Customer Experience

To get buy-in from your executives and colleagues to transform your firm's customer experience, CX pros should use our infographic and share both the urgency to transform and the extensive ways in which CX will help:

- › **Keep customers longer.** Improving CX leads to higher loyalty — specifically retention, enrichment, and advocacy.<sup>16</sup> For example, Time Warner Cable created a new service for its highest-value customers called SignatureHome. After rollout, the NPS of these customers jumped from -1 to 40 and customer retention increased by an average of three months.<sup>17</sup> This, multiplied across millions of customers in the segment, was worth hundreds of millions of dollars. When 1-800 Contacts implemented a closed-loop NPS survey feedback process that made it easier for employees to follow up with clients, the firm saw a 13-point bump in NPS and a 12% increase in customer retention.<sup>18</sup>
- › **Grow revenue faster.** In a recent analysis of customer experience quality and revenue growth in five industries, Forrester found that companies with superior CX grew revenue faster than their competitors with inferior CX: Collectively, the five CX leaders had an average revenue CAGR of 17%, compared with 3% for their five CX laggard competitors.<sup>19</sup> For example, compare the disparate growth performances of CX leader Charles Schwab and CX laggard E-Trade: From 2010 to 2015, Charles Schwab grew revenue by an average of 10.7% per year, while E-Trade only managed to grow by 1.6% per year.<sup>20</sup>
- › **Improve profit margins.** Customers who give scores in the “excellent” category of Forrester's CX Index are 4.5 times more willing to pay a premium for the experience than customers who have “very poor” experiences.<sup>21</sup> That's why, for a comparable room in the same building, the Four Seasons Las Vegas with its five-star rating on Expedia commands a 100% price premium over the Mandalay Bay hotel, which has a four-star Expedia rating.<sup>22</sup>
- › **Reduce costs.** Companies have linked CX improvements to reductions in service, acquisition, processing, and engineering costs. For example, Delta Air Lines implemented call routing with Nuance's natural language recognition to automate inquiries. As a result, the number of misrouted calls decreased by 15%. Not only could the airline serve customers faster but it also saved over \$3 million in the first year alone. Working with Clarabridge, Health Care Service Corporation combined insights about its customers' experience from across channels with operational data to find where customers struggled during experiences. It used that analysis to identify experience improvements

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like proactive payment alerts and enabling online changing of the primary care provider, which helped reduce the number of calls. Taken together, these opportunities equated to cost savings of nearly \$2.5 million.<sup>23</sup>

- › **Strengthen employee engagement.** Challenging employees to deliver better CX builds stronger engagement and loyalty.<sup>24</sup> The reason is simple: A passion for serving customers is a choice that employees make, often several times a day. When they're happier, they're more likely to make the right choices — and more likely to stay with the company. For example, Cleveland Clinic transformed its culture to focus on delivering great patient experiences and found that employee engagement rates began rising a year after patient experience metrics started rising. Employee engagement directly affects the bottom line: A study by human resources consultancy Towers Watson found that companies with the highest engagement scores had average one-year operating margins of more than 27%, while companies with low engagement scores had average operating margins of less than 10%.<sup>25</sup>
- › **Lessen regulatory compliance risks.** Unhappy customers sometimes go the extra mile and complain to government regulators. That can result in calls from regulators to offending companies — conversations that executives at all firms dread — particularly in highly regulated industries like healthcare and financial services.<sup>26</sup> Working with tech vendor Apigee, Independence (previously Independence Blue Cross) built a model that predicts which of its members are likely to complain to Medicare. Independence's call center now gets early notifications when members are at risk and reaches out to them. The result for Independence was a significant reduction in member complaints to Medicare.<sup>27</sup>

## How Forrester Can Help

## Forrester Can Support Your CX Transformation

Forrester offers a number of resources to support your efforts to become more customer-centric. We can:

- › **Provide thought leadership.** Our research reports offer insights and frameworks to support your CX efforts. Additional resources like case studies and webinars bring those frameworks to life with concrete examples of CX best practices in action. And Forrester's freely available podcast series, "CX Cast," features conversations with Forrester analysts and other experts about current and exciting CX topics.<sup>28</sup>
- › **Benchmark your CX quality and create an ROI model.** Forrester's CX Index measures how good your CX is at driving loyalty. It also shows you the key drivers of your firm's customer experience and how you compare against both key competitors in your industry and best-in-class companies across industries.<sup>29</sup> Forrester's digital experience review methodology assesses the quality of digital customer experiences specifically.<sup>30</sup> Forrester can then help you demonstrate the potential

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business benefits of initiatives ranging from small website tweaks to full customer experience transformation projects. Using our proprietary industry data and case studies, we can help you build a model to determine what return on investment (ROI) you can realistically expect.

- › **Advise and consult on your initiatives.** Forrester analysts and consultants provide hands-on assistance with key initiatives like developing a CX vision and strategy; mapping customer journeys and ecosystems; designing future-state customer journeys; creating a CX measurement and voice of the customer (VoC) program; and developing a customer-centric culture. Whether it's a one-day workshop or one-week consulting engagement, Forrester can lend its CX expertise to your business efforts.
- › **Help select the right partners.** Forrester analysts speak with the world's top customer experience design, technology, and service firms on a daily basis. So whether you're looking to find out more about your customers, start building a customer-centric culture, implement a VoC program, or design a new end-to-end service from scratch, Forrester can help you select the right partner for your specific needs.<sup>31</sup>

## Engage With An Analyst

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## Supplemental Material

### Survey Methodology

Forrester and Heidrick & Struggles conducted the Q4 2015 Forrester/Heidrick & Struggles Global Evolved CMO/CCO Online Survey of 275 organizations to evaluate the roles of the CMO and the CCO. Survey participants included decision-makers in CMO, CCO, or senior-most equivalent roles in the organization. Questions that we provided to the participants asked about strategic objectives and challenges, organizational structure, required skill sets, and personal development.

For its Customer Experience Index Online Survey, US Consumers 2016, Forrester conducted an online survey fielded in February through May 2016 of 122,500 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 122,500), there is 95% confidence that the results have a statistical precision of plus or minus 0.01% of what they would be if the entire population of US adults who are online weekly or more often had been surveyed. The final data set was stacked by brand (319 US brands) and weighted by age, gender, region, income, and broadband adoption to represent 242,494 weighted respondents answering for all brands. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the internet and feel more comfortable transacting online.

Forrester's Q4 2015 US Customer Experience Maturity Online Survey was fielded to 212 ResearchNow panel members with knowledge of customer experience. For quality assurance, we screened respondents to ensure that they met minimum standards in terms of customer experience knowledge, decision-making, and company revenue.

Forrester fielded the survey from November to December 2015. Respondent incentives included points redeemable for gift certificates. Exact sample sizes are provided in this report on a question-by-question basis.

This survey used a self-selected group of respondents involved in customer experience and is therefore not random. This data is not guaranteed to be representative of the population, and unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes. While nonrandom, the survey is still a valuable tool for understanding where users are today and where the industry is headed.

### How To Get Access To Forrester's CX Index Data Analysis And Insights

Forrester's CX Index helps companies do three things. It: 1) arms you with a deep and actionable understanding of the quality of your customer experience; 2) provides competitive benchmark data so you know how you stack up against your peers; and 3) enables the ability to model which improvements will have the biggest impact on revenue and other key business metrics.

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Forrester collects CX Index data on more than 800 brands in 17 industries across eight key markets (Australia, Canada, China, France, Germany, India, the UK, and the US). If you wish to find out more details regarding Forrester's CX Index data and services or how you can leverage the methodology, please contact your account manager or [data@forrester.com](mailto:data@forrester.com).

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**Companies Interviewed For This Report**

Clarabridge

Nuance Communications

**Endnotes**

<sup>1</sup> For example, Lending Club originated its first loans in 2009 and reached \$6.2 billion worth of loans that originated prior to Q4 2014. From that time through the end of 2015, Lending Club originated an additional \$9.8 billion worth of loans. Its many younger competitors together originated a similar dollar amount of loans, starting from much lower prior cumulative loan totals. For more information about the market as an example of hyperadoption, see the "[Brief: Digital Winners Know That More Is More](#)" Forrester report.

The percentage of consumers using online channels rises each year. And consumers use a broader set of touchpoints like mobile phone applications, online chat, online forums or communities, or their social media presence on Facebook or Twitter to contact companies. See the "[Trends 2016: The Future Of Customer Service](#)" Forrester report.

<sup>2</sup> Source: Erik Heinrich, "Telecom companies count \$386 billion in lost revenue to Skype, WhatsApp, others," *Fortune*, June 23, 2014 (<http://fortune.com/2014/06/23/telecom-companies-count-386-billion-in-lost-revenue-to-skype-whatsapp-others/>).

<sup>3</sup> Source: Jacob Davidson, "Uber Has Pretty Much Destroyed Regular Taxis in San Francisco," *Time* magazine, September 18, 2014 (<http://time.com/money/3397919/uber-taxis-san-francisco/>).

<sup>4</sup> The composition of the workforce is changing, as Millennials have recently become the largest generation in the workforce. Alongside that shift comes a change in work styles, a greater level of comfort with emerging technologies, and different expectations. See the "[Harness The Potential Of Millennials With Your Workforce Technology Strategy](#)" Forrester report.

A recent Deloitte study showed that for six in 10 Millennials, a "sense of purpose" is part of the reason why they chose their employer. Source: "Mind the gaps: The 2015 Deloitte Millennial survey," Deloitte, 2015 (<http://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-wef-2015-millennial-survey-executivesummary.pdf>).

<sup>5</sup> People's work motivates them when they feel that their jobs align with a higher purpose, that they are learning and applying new skills, and that they are empowered to choose the best way to perform their jobs. See the "[Customer Obsession Is An Employee Engagement Strategy, Too](#)" Forrester report.

<sup>6</sup> Twenty percent of respondents do not know the size of their organization's budget for CX initiatives. Source: Forrester's Q4 2015 Forrester/Heidrick & Struggles Global Evolved CMO/CCO Online Survey.

<sup>7</sup> We found a strong consistent pattern in 2016: CX laggard brands have customers who say they're annoyed, disappointed, and frustrated by their interactions with these low-scoring brands. See the "[The US Customer Experience Index, 2016](#)" Forrester report.

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- <sup>8</sup> Source: Forrester's Customer Experience Index Online Survey, France Consumers 2016; Forrester's Customer Experience Index Online Survey, India Consumers 2016; Forrester's Customer Experience Index Online Survey, Australia Consumers 2016; Forrester's Customer Experience Index Online Survey, Germany Consumers 2016; and Forrester's Customer Experience Index Online Survey, UK Consumers 2016.
- <sup>9</sup> The ongoing challenges to CX success are complex — organizational culture and structure, for example. To overcome them, CX pros must focus on cultivating influence and collaboration across their organization. See the "[The Challenges Holding Back CX Leaders And How To Overcome Them](#)" Forrester report.
- <sup>10</sup> Most companies that we surveyed lacked at least one key aspect in each competency that would enable better CX. See the "[The State Of CX Management Maturity, 2016](#)" Forrester report.
- <sup>11</sup> Disciplined maturity requires accountability, cadence, rigor, and coordination for CXM practices. And empathy throughout an organization ensures that the purpose behind CX efforts is not lost on employees. Both are necessary to master CX maturity. See the "[The State Of CX Management Maturity, 2016](#)" Forrester report.
- <sup>12</sup> Customer experience strategies that lack critical details lead to inconsistent execution and wasted effort. To improve, firms need a strategy that clearly: 1) defines the intended experience; 2) directs employees' activities and decision-making; and 3) guides funding decisions and project prioritization. See the "[Customer Experience Strategy Best Practices](#)" Forrester report.
- <sup>13</sup> To succeed at scale, CX practices must be well-defined and deeply ingrained organizational habits. Otherwise, there is no way that thousands of people can work together to consistently deliver the experiences that are associated with large quantities of products across dozens of channels. See the "[The Customer Experience Management Maturity Model](#)" Forrester report.
- <sup>14</sup> As companies continue investing in new interfaces to meet the growing adoption of digital experiences, we'll see companies bumping up against the limitations of their legacy technology more frequently. See the "[Predictions 2016: The Spotlight On CX Helps And Hurts](#)" Forrester report.
- <sup>15</sup> Customer-led means investing in systems of engagement. Insights-driven means powering experiences with systems of insight using measurable reality, not just intuition. See the "[The Top Technologies For Your Business Technology Agenda, 2016](#)" Forrester report.
- <sup>16</sup> Forrester's Customer Experience Index helps CX professionals understand the ups and downs of CX quality over time. See the "[The US Customer Experience Index, 2016](#)" Forrester report.
- <sup>17</sup> Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Satmetrix Systems, and Fred Reichheld.
- <sup>18</sup> Culture change initiatives will ultimately be judged by their impact on customer and business outcome metrics like Net Promoter Score, customer loyalty, and employee retention. See the "[How To Track Your Company's Progression Toward Customer Obsession](#)" Forrester report.
- Forrester used data from its new CX Index methodology to assess the impact of changes in customer experience on revenue potential for nine industries. See the "[The Revenue Impact Of Customer Experience, 2015](#)" Forrester report.
- Source: Ryan Nelsen, "1-800-CONTACTS Increases Net Promoter Score by 13 Points, Wins Innovation in Service Excellence Award," Qualtrics, June 29, 2015 (<https://www.qualtrics.com/blog/1-800-contacts-increases-net-promoter-score-by-13-points-wins-innovation-in-service-excellence-award/>).
- <sup>19</sup> Source: Forrester analysis of US Securities and Exchange Commission filings by Amazon, AT&T, Charles Schwab, Comcast, E-Trade, Edward Jones, Morgan Stanley, Southwest Airlines, United Airlines, and Walmart from 2010 to 2015.
- <sup>20</sup> Source: Forrester analysis of US Securities and Exchange Commission filings by Charles Schwab and E-Trade from 2010 to 2015.

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- <sup>21</sup> Our models showed that improving CX drives willingness to pay indirectly by increasing brand preference and trust. Other factors like elements of the price experience, exceeding customers' expectations, membership in a loyalty program, and willingness to forgive also influence willingness to pay a premium. Base: 122,500 US online adult customers (18+) of at least one industry who interacted with that industry within the past 12 months (bases vary by industry). Source: Forrester's Customer Experience Index Online Survey, US Consumers 2016.
- <sup>22</sup> A search for a comparable king room at the same time returned a rate of \$409 for the Four Seasons and \$205 for Mandalay Bay. Source: Micah Solomon, "Build Customer Loyalty And Command A Premium: The Four Seasons, Nordstrom Way," Forbes, July 1, 2015 (<http://www.forbes.com/sites/micahsolomon/2015/07/01/charge-more-money-command-more-customer-loyalty-lessons-from-four-seasons-and-nordstrom/#26a23a8a68df>).
- <sup>23</sup> Source: Robert Hatfield, "360 Degrees of CX at Health Care Service Corporation," Forrester's Customer Experience Forum New York City 2016 (CXNYC 2016), June 21, 2016.
- <sup>24</sup> Creating experiences that meet or exceed customers' needs provides employees with a purpose for their work. See the "[Customer Obsession Is An Employee Engagement Strategy, Too](#)" Forrester report.
- <sup>25</sup> Source: "2012 Global Workforce Study," Willis Towers Watson, July 2012 (<http://www.towerswatson.com/Insights/IC-Types/Survey-Research-Results/2012/07/2012-Towers-Watson-Global-Workforce-Study>).
- <sup>26</sup> A survey of 400 CEOs in 2014 found that the regulatory environment was the top issue that can have the most impact on a company. Source: Kasia Moreno, "Regulatory Environment Has More Impact on Business Than the Economy, Say U.S. CEOs," Forbes, August 12, 2014 (<http://www.forbes.com/sites/forbesinsights/2014/08/12/regulatory-environment-has-more-impact-on-business-than-the-economy-say-u-s-ceos/#5f043f5a3d2a>).
- <sup>27</sup> Voice of the customer programs are still not taken seriously because they struggle to drive action. To change that, VoC teams need to leverage stakeholders across the organization; only then can they turn insights into actionable recommendations and implement customer experience improvements. See the "[How To Drive Action With Your VoC Program](#)" Forrester report.
- <sup>28</sup> For more information, visit the following website. Source: "Forrester's CX Cast," Podomatic (<http://cxcast.podomatic.com/>).
- <sup>29</sup> Customer experience leaders grow revenue faster than CX laggards, drive higher brand preference, and can charge more for their products. See the "[The US Customer Experience Index, 2016](#)" Forrester report.
- The CX Index methodology includes an overall CX quality score plus scores on industry-specific CX drivers. See the "[Ten Things To Know About Forrester's Customer Experience Index](#)" Forrester report.
- <sup>30</sup> Forrester has a new digital user experience review. Like its predecessors, this heuristic evaluation relies on trained experts performing key customer scenarios. See the "[Introducing Forrester's New Digital User Experience Review](#)" Forrester report.
- <sup>31</sup> CFM vendors will invest in capabilities to surface CX issues and root causes, operationalize customer journeys, and leverage feedback to engage customers. See the "[What's New With Customer Feedback Management Vendors](#)" Forrester report.
- When shopping for a service design partner, CX professionals should ask a lot of questions — some obvious and some not so obvious — to find the right fit. See the "[Vendor Landscape: Service Design Agency Overview, 2015](#)" Forrester report.
- Transforming a culture to be customer-obsessed is hard, which is why most companies that have transformed their cultures had help from outside experts. See the "[Vendor Landscape: Picking The Right Consultant To Support Your Culture Transformation](#)" Forrester report.
- Creating a differentiated experience requires changes to the business' strategy, operating model, and front- and back-end systems. CX teams lack the skill sets to spearhead this cross-organization change. See the "[Transforming Customer Experience Requires A Service Provider Ecosystem](#)" Forrester report.

We work with business and technology leaders to develop customer-obsessed strategies that drive growth.

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Forrester's research and insights are tailored to your role and critical business initiatives.

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