HAVAS CX
Network

THE FUTURE OF CX:

How Brands Can Create
a Modern & Meaningful
Customer Experience

CX IS A GAME CHANGER FOR BUSINESS, BUT BRANDS ARE MISSING THE MARK WHEN IT COMES TO MEANINGFUL CONSUMER EXPERIENCES.

To understand the latest trends and opportunities in consumer experience, Havas CX and YouGov conducted a survey in August 2023 with 400 C-level executives working on CX strategies in the UK, US and France.

TODAY'S CX IS NOT MEETING CONSUMER EXPECTATIONS

Our research revealed a significant gap in CX effectiveness. Although 94% of executives believe their companies are customer-centric, only 40% of customers globally think that brands are centred on their needs.

Business leaders know they must build a sustainable consumer experience, which they identified as a top priority in all three countries. However, they must consider local context, organisational challenges and new technologies. To create a unique and memorable consumer experience, brands must resolve workflow issues, use CX to inform their strategic vision and use creativity to make a difference. In this paper, we outline key strategies which are essential to future-proof your organisation and close the CX gap.

CX MEANS DIFFERENT THINGS ACROSS THE MARKETS.

Although CX serves a specific function, it has a different connotation across countries. Our research shows that CX is seen as primarily an operational topic in the UK (42%), a technology topic (35%) in the US, and a marketing strategy topic in France (40%).

In a quarter of cases, CX sits within its customer experience department, but the remaining cases give us an idea of how it's perceived in each market. In the US, CX is almost three times more likely to sit within the tech function than in the UK, placing it closer to the heart of business. Perhaps as a result, twice as many executives in the US expect that the key area of focus regarding CX in their organisation in the next year will be on technology, as compared to the UK.

A SEA OF SAMENESS:

WHY IS CX NOT BEING PRIORITISED ORGANISATIONALLY?

Since CX is seen through an operational lens in the UK, this may diminish its importance in driving the business forward and being used as a transformative technology. CX is twice as likely to sit with the CRM department in the UK, which suggests it's seen as less important within the organisation. If brands want to create more effective and memorable experiences, CX must be seen as a catalyst for creativity which is essential to the organisation.

MORE DATA, *MORE* PROBLEMS:

OPTIMISE THE RIGHT INSIGHTS, GET RID OF THE REST

Even though 81% of executives say that reinventing customer experience is a priority, their organisations are experiencing many challenges with measuring and interpreting data. Due to a lack of clarity regarding their data strategy, they're not able to turn data into meaningful insights. Around one-third of leaders report inconsistency across datasets, have difficulty identifying meaningful insights, experience unclear data calculation and reporting, see a lack of relevant data, and have poor visibility into data sources and quality. Instead of measuring against every metric, brands must have a strategic vision and carefully consider what aspects of the customer experience they're looking to understand.

BREAK THE SILOS TO ALLOW CX TO SUCCEED

Workflow issues and siloed organisations are preventing companies from using CX effectively. 22% of executives say that there is a lack of clear ownership in their organisation and 33% believe that the main obstacle to success is workflow issues.
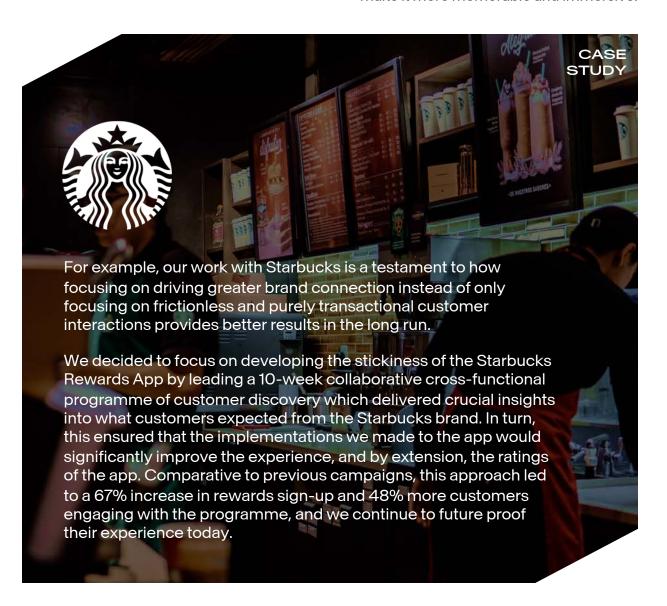
This could be due to confusion over who is responsible for customer experience. 24% of executives say that the main owner of customer experience in their organisation is the CX department, 23% say IT, 18% say the marketing department and 14% say CRM/consumer engagement. To establish a clear CX strategy, employees must know who owns the project and what their responsibilities are within the team.

CREATIVITY & CONNECTIONS MUST LEAD THE EXPERIENCE

Many companies are focused on creating a frictionless consumer experience, but in the process, they can lose the essence and personality of their brand. Brands can benefit from creating moments of positive friction to enhance the experience and make it more memorable and immersive.

CASE STUDY

For example, our work with Starbucks is a testament to how focusing on driving greater brand connection instead of only focusing on frictionless and purely transactional customer interactions provides better results in the long run.

We decided to focus on developing the stickiness of the Starbucks Rewards App by leading a 10-week collaborative cross-functional programme of customer discovery which delivered crucial insights into what customers expected from the Starbucks brand. In turn, this ensured that the implementations we made to the app would significantly improve the experience, and by extension, the ratings of the app. Comparative to previous campaigns, this approach led to a 67% increase in rewards sign-up and 48% more customers engaging with the programme, and we continue to future proof their experience today.

CX: *TECHNOLOGY OR CREATIVITY?*

Havas CX research revealed a unique and cynical cultural attitude towards CX in the UK, as compared to other markets. In the US, customer experience is mostly seen as a tech function, which suggests that it's considered important to the business and the future of the organisation. Executives in the US are three times as likely as UK executives to consider CX as a creative discipline, as it's viewed as an area of disruption and transformation.

By contrast, in the UK, customer experience is understood as an operational function that solves problems. There is a sense of malaise and cynicism towards CX which is affecting the industry. A lack of buy-in from leadership and confusion about the role of CX are making people skeptical of its importance within an organisation.

Compared to other countries, UK CX leaders don't believe strongly in the value of their products. Only 55% believe that their digital customer experience is genuinely different from competitors and less than half believe that their CX meets customers' needs. This lack of confidence translates to a cultural attitude which is damaging the success of the industry in the UK.

A LACK OF BUY-IN: CX IN THE UK IS AT RISK OF FALLING BEHIND THE US AND FRANCE

Since the UK views CX through an operational lens, they may overlook its potential to drive innovation forward. UK executives are less likely to prioritise AI than executives in France and the US and only 34% of UK executives believe in augmenting CX through tech. Leaders need to correct course and explore ways to treat CX as central to their business, instead of an afterthought.

Currently, CX leaders in the UK are not investing in collaboration. Compared to other countries, they are less likely to work with agencies, talk to customers regularly or bring in outside partners. Only 66% of UK CX leaders believe that leadership has grasped the transformational business power of CX, as compared to 94% in France and 90% in the US. Their teams need to understand the value of CX and explore new collaborations.

THE POWER OF GENERATIVE AI TO FIND MODERN CX SOLUTIONS

We're all moving at the speed of technology, but it seems that CX executives in the UK are lagging. Across the UK, US and France, 73% of executives say that they understand the potential of Generative AI to optimise the customer experience, but only half of this group have already started using it.

UK executives are especially slow at investing in new CX technology and only 35% believe that customer experience is key to a business's future. Even though Generative AI is an important tool for customer experience, only 61% of UK executives agree that Generative AI has a high potential to optimise CX. Shockingly, 31% don't intend to use AI at all in the next year.

They're also aware of this reticence since only 19% say that their customer experience is future-proof and can satisfy shifting customer expectations. It's not enough to understand the benefits of new technologies - CX leaders must test and learn from them.

WE CAN USE CREATIVITY TO MAKE A MEANINGFUL DIFFERENCE

To lead the industry, CX executives must help their organisation understand the value and opportunities of CX, optimise data to meet their broader strategic goals, address workplace issues, use creativity to make a meaningful difference and embrace new technology as a part of their process.