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Briefing: Leading in Mobile Customer Experience

The role of measurement in how the
most successful brands approach CX

Part of the *Driving Business Growth
Series* in association with Google



Published July 2017

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Foreword by Google

Today's consumers expect a brand experience that's fast, personalized, and seamless no matter where they are or what device they're on—from the point they first engage right through to when they buy. For many businesses, keeping up with the pace of change in their customer's expectations is a huge challenge. And with new technologies, such as voice assistance and AI, customer expectations will continue to grow. This can be a daunting prospect, but for leading marketers who are prepared to put in the hard work, there are plenty of rewards to reap and a successful future to look forward to.

So, what are leading marketers today doing to embrace this consumer experience challenge in order to drive growth?

These industry leaders have reimagined their businesses in ways that match, and even exceed, their consumers' expectations. Unlike a traditional approach, where each step of a customer journey is handled by a separate team with their own KPIs, these experts have broken down organizational silos and built a cross-functional structure that addresses the whole journey. Beyond that, they're experimental and innovative in finding new ways to connect with their customers—like using first-party data to frame their key business decisions. Third-party data plays a key role too, and they invest in assistive technologies, such as AI and machine learning, to help personalize the consumer experience. By connecting the changes and innovations they make to revenue, they also measure success at every step.

Do all brands do this? No. Should all brands do this? Absolutely, because the industry leaders making these changes are seeing a significant uptick in profitability. It's increasingly clear that this holistic approach by leading marketers, who are internalizing the consumer experience and providing a consistent brand offering across channels, platforms and devices, is a winning formula not to be ignored.

Only by embracing the complex nature of consumer needs and expectations can brands hope to survive and thrive in this evolving environment.



Methodology

This report is based on an online survey conducted in the first quarter of 2017, using primarily third-party providers for distribution. Respondents from third parties were offered an incentive to complete the survey. It closed on March 3rd with 514 total responses.

The sample was comprised of marketing executives in North America. They qualified for the sample based on revenue, sector and seniority.

- Any respondent below the ‘manager’ level was disqualified. Forty-seven percent describe their role as “executive management” in marketing, with an additional 7% in corporate management.
- The study represented a wide range of consumer-facing sectors. The most heavily represented industries were healthcare/pharma (21%), retail (19%) and consumer goods (13%).
- All qualifying organizations reported annual revenues above \$250 million, with 23% reporting over \$1 billion in 2016.

About Econsultancy

Econsultancy’s mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events.

Founded in 1999, Econsultancy has offices in New York, London and Singapore.

Econsultancy is used by over 600,000 professionals every month. Subscribers get access to research, market data, best practice guides, case studies and elearning – all focused on helping individuals and enterprises improve their marketing.

The subscription is supported by digital transformation services including digital capability programs, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as running events and networking that bring the Econsultancy community together around the world.

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Key Takeaways

- Today's most successful marketing organizations have done a better job of internalizing the reality and implications of a customer experience led model.
- Leaders are moving away from channel-centric teams, instead designing them to address the whole of the customer journey.
- The mobile customer experience is at the center of strategy and investment for leading companies.
- Other areas of investment that differentiate leaders include first-party data, strategic experimentation and anything that helps make customer experience faster/easier.
- Proving return on investment remains the main barrier to investment in personalizing experience, but those companies who have already made the leap overwhelmingly agree that it has boosted profitability.

Introduction

This briefing is part of the [***Driving Business Growth Series***](#), based on a multiple surveys of over 1,000 enterprise brands, conducted in partnership with Google. Beginning with a report called [***Driving Growth with Measurement in Mobile World***](#), the series explores how marketers are developing an understanding of users who move effortlessly across media and devices.

Other reports in this series look at measurement, local and audience strategy.

The supremacy of mobile experience

It's impossible to overstate the expansion of mobile into every aspect of modern life. It has reengineered consumer behavior and business along with it. While the pace of mobile growth is impossible to ignore, it often exceeds brands' ability to adapt.

With many competing priorities and the bulk of purchases still taking place in stores or on the desktop, many companies choose to treat mobile experience as simply a question of usability and an extension of existing media.

Leading in Mobile Customer Experience looks at key factors that differentiate how marketing leaders are responding to the mobile shift, and how their behavior differs from the majority.

Leaders vs. the Mainstream

To gain a perspective on where marketing is today and where it's headed, respondents have been divided into two groups based on performance. *Leading* companies significantly exceeded their top 2016 business goal and comprise roughly one-fourth of the sample. The remaining seventy-five percent are designated the *mainstream* for comparison.

Throughout the research, the differences between these groups are significant and educational; leaders are consistently further along in building organizations that are data-driven, focused on larger business goals and committed to customer experience as a path to growth.

These companies offer guidance and inspiration for marketers as they work to answer the big questions that will define their future.



Internalizing a customer-led model

Discussions of modern marketing often center on knowing and serving the customer, and rightfully so. But it's easy to forget that brands have come to obsess over customer experience (CX) because they lost control of the relationship. Personal technology coupled with search engines gave consumers enormous choice and information. In less than a decade, customer expectations have risen to match, putting brands on their heels.

Executives in virtually every sector know this to be true, but knowledge doesn't necessarily equal action. Many companies are unable to make the changes that are necessary. The reasons vary, from a lack of alignment in leadership, to the pressure to maintain revenue from aging business lines or a reluctance to engage with transformation on the necessary scale.

A common trait of leading companies is their success in incorporating a customer-centric view into their thinking, strategy and behavior. They recognize that growth is directly tied to the ability to know customers as individuals and to provide a connected experience, regardless of channel, device or platform.

Eighty-nine percent of leading marketers say that it is critical to their growth that they anticipate customer needs and provide assistive experiences along the consumer journey.

While marketers broadly believe that it is important to understand the customer journey holistically, many companies still organize marketing around channels and media budgets. Leaders are moving beyond this approach, with nearly 90% saying they are building teams that solve for end-to-end customer experiences and journeys, across channels and devices.

The model depends on customer data

First-party data underpins the customer-centric approach. Its importance goes beyond ad optimization to enabling unique services, content and products tailored by real knowledge of the individual. As consumer expectations grow for an experience that's unique to their purchases and habits, the role of first-party data grows with them.

However, first-party data pools are inherently limited in size and scope. Leaders look to third-party sources to fill in the gaps, add new dimensions and expand their reach.

Together, the two data types are the foundation of a relationship-based business that can use customer experience to provide differentiation. Seventy-six percent of leading marketers believe that it's critical to their growth to continuously build an understanding of what people want using both first and third-party data.

Marketing leaders are 72% more likely than the mainstream to strongly agree that they are investing in improving the quality and/or volume of the first-party data they capture.

Experience is mobile

Using "mobile" in front of "customer experience" is already starting to feel vestigial, like "digital" before "marketing." But in both cases the terms are necessary to remind us that the industry hasn't caught up with reality. Mobile has fundamentally affected how consumers interact with brands and marketing is only starting to decipher the implications.

Mobile behavior is redefining the customer experience, regardless of sector. Econsultancy's research suggests that even in industries that skew toward older customers, such as financial



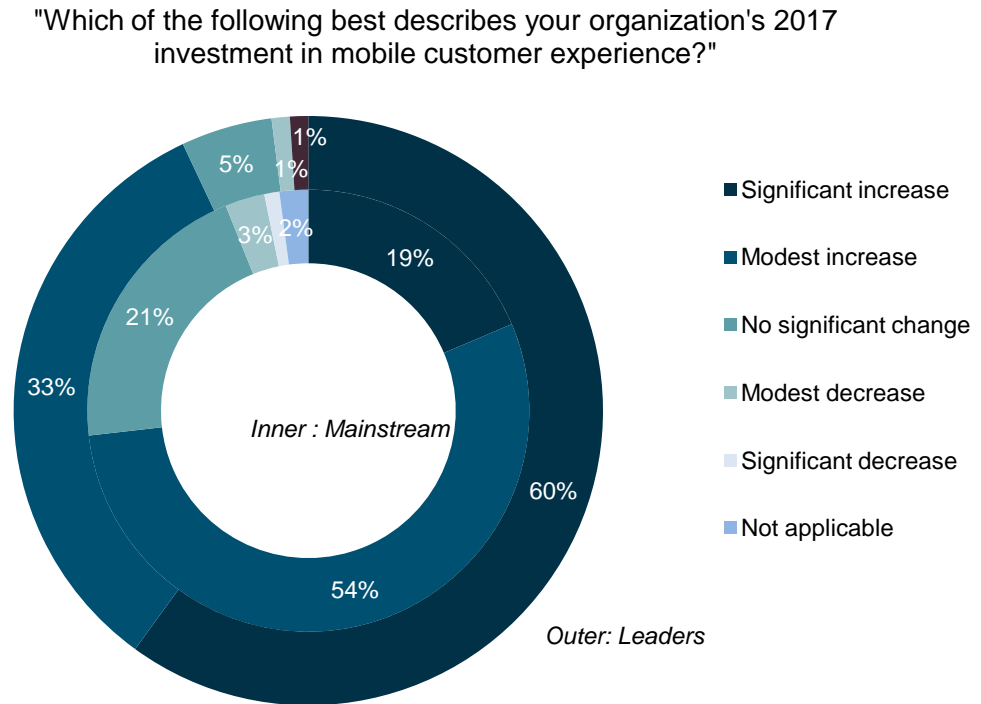
services, mobile plays a role in more than half of all new sales.¹ For businesses marketing to younger buyers, the share is higher still.

But most sales are still offline or via desktop, so at many companies mobile CX is simply one of many competing priorities.

Leaders have a sense of urgency. They are more than three times as likely as the mainstream to be significantly increasing their investment in mobile customer experience. Just as important, an increase in profitability is the most commonly cited reason to increase investment.

Mainstream vs. Leaders

Figure 1: How are companies investing in mobile customer experience?



Respondents: 514

Leaders can't move fast enough for mobile

In the digital age, time is the ultimate luxury. As consumers we define the best experiences in a number of ways, but speed is a constant, especially when we are mobile.

A strong connection between speed and satisfaction is taken for granted by leaders. Ninety-three percent believe improvements in speed for mobile sites and apps are helping to drive increases in their customer satisfaction scores.

Leaders ensure that faster performance stays in the spotlight through measurement. They are 44% more likely than the mainstream to strongly agree that they are using KPIs like page load time and transaction time to improve the speed of mobile experiences.

This attitude necessarily drives resource allocation; 71% of leading marketers have increased investment in technologies that make site experiences faster.

¹ [State of Digital Transformation in the Financial Services Sector, 2017](#)

For the most successful businesses, speed of service is a customer priority with internal implications - they recognize that making experiences as seamless as possible requires faster insights and decision making. Sixty-eight percent of leading marketers agree that they're using real-time insights to make faster decisions about their marketing and customer experience strategies.

Fast, accurate decision making has always been a differentiator for the most successful companies, but its value is growing as the time frames of competition, commoditization and innovation get ever smaller. Leading companies aren't just concerned with their ability to automate real-time decision making, they're also focused on making big bets on the future.

History isn't always useful when encountering new conditions or trends. However, even among leaders the practice of strategic experimentation isn't universal. Fifty-six percent of leading marketers say their organizations dedicate time and budget to strategic experimentation.

Culture is a key barrier. Experimentation is inherently risky and often yields information before results. Despite calls from experts to 'fail fast,' few businesses truly embrace failure as the important data source it should be. Forty-eight percent of leaders say their organizational culture supports strategic experimentation that drives innovation.

Establishing the profit connection

Like any priority, the ability to deliver personalized customer experiences requires a commitment of time and budget.

Forward leaning organizations might make the investment based on their long-term vision and the belief that custom experiences will differentiate them. But most companies require a financial argument for the short to medium term, and find it challenging to establish the connection. More than three-quarters of mainstream marketers state that proving return on investment is their main barrier to investing more in personalized experiences.

Fortunately, companies that have already taken the plunge overwhelmingly connect personalization with profit; 90% of organizations that invest in personalized consumer experiences agree it significantly contributes to increasing business profitability.

In Summary

When we think about the next decade of digital evolution, the difference between success and failure will be a company's ability to offer the most frictionless experience. Today that's still largely a function of site speed and smartly designed mobile experiences, but moving forward, streamlined media won't be enough.

Increasing speed and convenience will be the first and most important applications of artificial intelligence for mainstream companies.

The most important moments in the customer experience are when decisions are made, by the customer and brand alike. In an instant access, largely mobile world, there's often no time for humans to make decisions. Already, 60% of leading marketers are increasing investments in capabilities, like machine learning, that can predict customer needs.

Staying a fraction of a second ahead of the consumer will be an essential skill even in sectors that don't think of themselves as 'on demand.' Product research and buying decisions will have to be informed by increasingly specific content, and its production and delivery will be enabled by artificial intelligence.



Marketing itself has changed along with brands. It's become more responsible for success and accountable for failure. It has also become the true voice of the customer as their needs and behaviors are expressed in the data they produce.

The shift to customer experience is the shift to marketing. The discipline can only continue to evolve, and marketers see their future success as directly tied to their ability to control the relationship between brand and consumer. Ninety-two percent of marketing leaders agree that to truly deliver best-in-class experiences, marketers must be responsible for all customer experiences, including digital/mobile.

