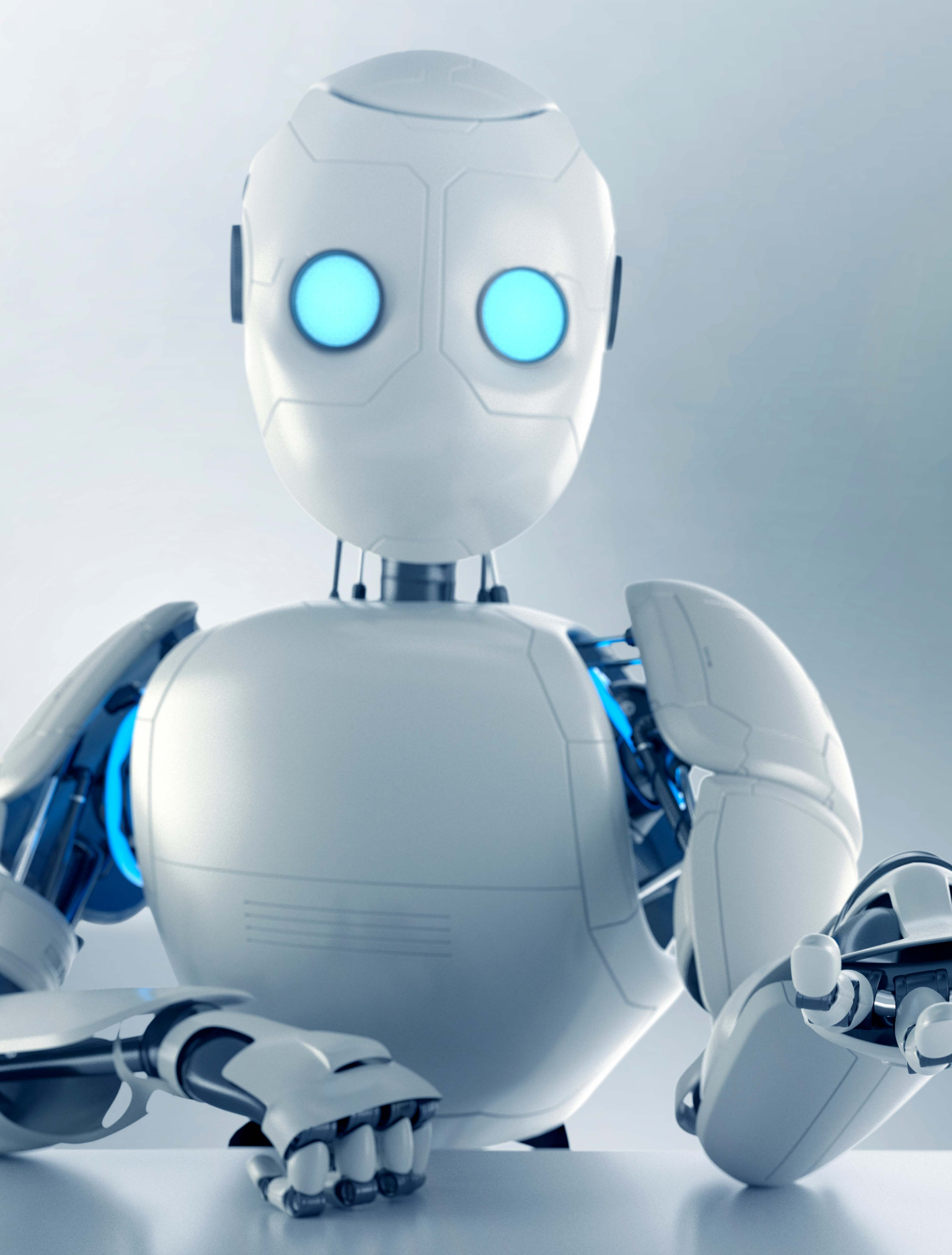


# *Changing the game:* The new rules of Customer Experience in the ‘Intelligent Experience Economy’





---

# Contents

<i>Executive summary</i>	4
<i>Make the customer journey your new value chain</i>	8
<i>Embed customer measurement across the organisation</i>	10
<i>Let the CCO drive CX change</i>	12
<i>Ignite the core</i>	17
<i>Bring analytics out of the shadows</i>	21
<i>The time for talk is over...</i>	24
<i>Appendix A: Methodology</i>	26

---

# Executive summary

We are on the verge of a new era of customer experience ('CX') - the 'Intelligent Experience Economy'. CRM tools and measuring customer insights used to be 'enough' for CX professionals. Not anymore. In the 'Intelligent Experience Economy', organisations will need to take the next step and execute their customer strategy at scale across the organisation. Organisations that get it right will completely reimagine their relationship with customers...

The first wave of CX was motivated by the possibilities of Customer Relationship Management ('CRM') tools. Any organisation that implemented CRM was seen to be 'customer-centric'. Organisations quickly discovered that tracking interactions with customers via CRM was not enough; CX required an understanding of the customer's wants and needs. This realisation fuelled the second wave of CX around customer advocacy. Measurement metrics like NPS dominated CX conversations in boardrooms everywhere. We now know that CRM and NPS are great tools, but they are just the start.

A new era is upon us where the combined impact of mobility, artificial intelligence ('AI'), and the Cloud will enable organisations to completely reimagine the relationship between brands and consumers. This goes beyond convenient and accessible experiences to interactions that are radically more valuable to the customer. The 'Intelligent Experience Economy' will be defined not only by the incredible experiences that organisations will create, but also by the speed in which these experiences will be delivered to the market.

We have long talked about CX being a source of sustainable competitive advantage. However as the walls that have protected market incumbents quickly crumble, the need to translate the 'rhetoric' into experiences that customers actually value has never been more important.

This report isn't another white paper telling you how important CX is. We're past that. At PwC, we are thinking about the organisational capabilities required to navigate this change and actually execute CX transformation at scale.

In late 2016, PwC commissioned Forrester Consulting to evaluate the state of global CX today and the capabilities required to achieve customers' CX vision. In-depth surveys and interviews with 507 global business

*A new era is upon us where the combined impact of mobility, artificial intelligence and the Cloud will enable organisations to completely reimagine the relationship between brands and consumers, therefore creating radically different customer experiences.*

and IT decision-makers responsible for CX initiatives were conducted.

Our research suggests that the efforts to raise awareness around customer-centricity are clearly paying off, with many organisations recognising that CX initiatives actually achieve a larger return on investment than others.

Whilst we believe many organisations vigorously ‘nod their head’ to the notion of customer-centricity, not many of them have built and embedded the underlying capabilities needed to truly execute on the customer vision.

What served organisations well in many customer functions in the past is no longer sufficient to overcome the challenges of the ‘Intelligent Experience Economy’. The first two waves around CX strategy saw organisations building capabilities like CRM tools and CX measurement metrics. These capabilities are really just table stakes today. In order to truly navigate the ‘Intelligent Experience Economy’, organisations need to go somewhere they’ve never been before – reimagining the CX (see Figure 1).

**Figure 1 The waves of CX transformation**

	Description	Components
✓ Wave 1: CRM Tool	Focus on embedding a CRM tool in an effort to become ‘customer-centric’	<ul style="list-style-type: none"> <li>• ‘Customer’ process automation (e.g. having customer information to understand trends, batch automation of marketing/communications etc.)</li> </ul>
✓ Wave 2: Advocacy	Recognition that tools by themselves are not enough. Need to understand the CX and reflect the customer ‘voice’ in decision making	<ul style="list-style-type: none"> <li>• CX measurement (e.g. NPS, CES)</li> <li>• Active listening to customers via customer feedback/research</li> </ul>
? Wave 3: Reimagine (M + AI + Cloud)	The new ‘Intelligent Experience Economy’ era. Focus is not only on access and convenience but on reimagining the customer experience	<ul style="list-style-type: none"> <li>• Analytics embedded into the experience to deliver a truly ‘new’ customer experience – leveraging AI, voice, video and deep learning technologies</li> </ul>

# The new rules of CX

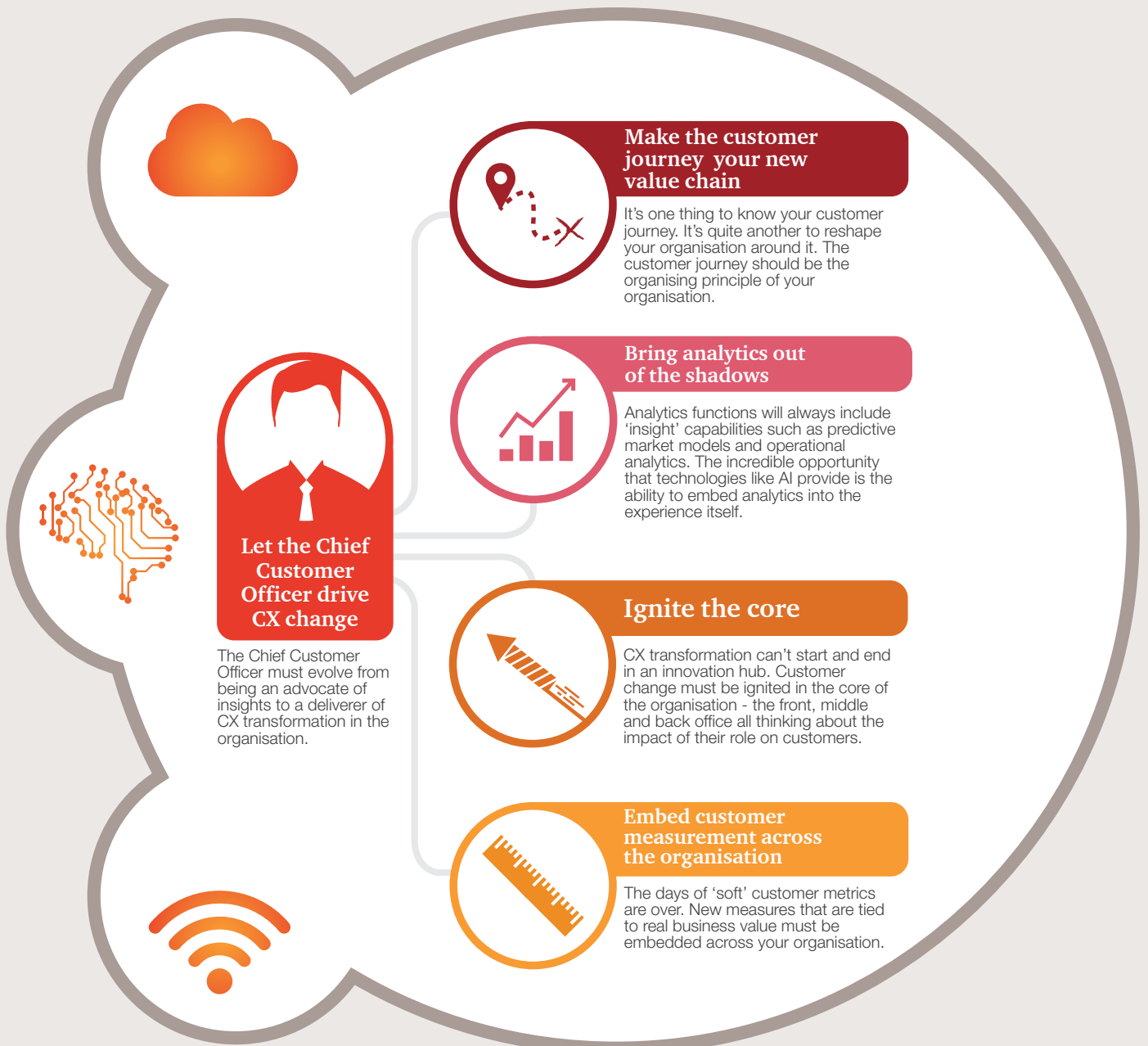
The 'Intelligent Experience Economy' will force organisations to reimagine the customer experience. Here's how they can do it...

## Intelligent Experience Economy

 **Cloud**

 **AI**

 **Mobile**



### Customer journey

---

13%

of organisations are structured around the customer journey today.

### Analytics

---

56%

of organisations are stuck 'actively listening to customers and collecting feedback', but not yet taking action with CX initiatives.

### Ignite the core

---

1/3

Nearly 1/3rd of organisations have no clear roadmap for their CX vision.

### CCO

---

72%

of organisations appreciate the importance of design-thinking in achieving CX transformation.

### Measurement

---

41%

of organisations view big data and analytics as a leading catalyst of CX change.

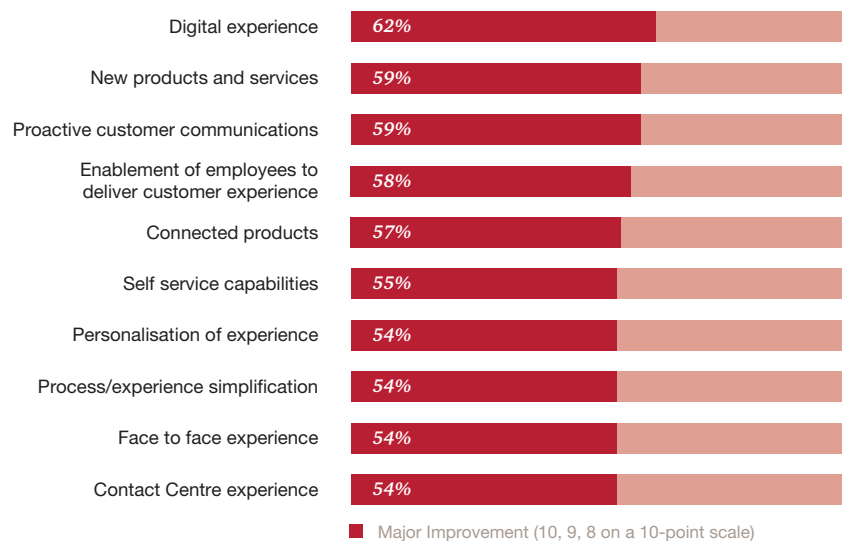


# Make the customer journey your new value chain

Most organisations recognise that the changes needed to reimagine the CX are not single projects or small tweaks to existing processes. In most cases, survey respondents indicated that they needed to make major improvements across their organisation to reach their CX goals and to create integrated, innovative and compelling CX (see Figure 3).

**Figure 3 Organisations are undertaking major improvements across the entire customer landscape**

Q: Which elements of the customer experience is your organisation focusing on in 2016-2017, and how significant is the improvement or change to the below focus areas?





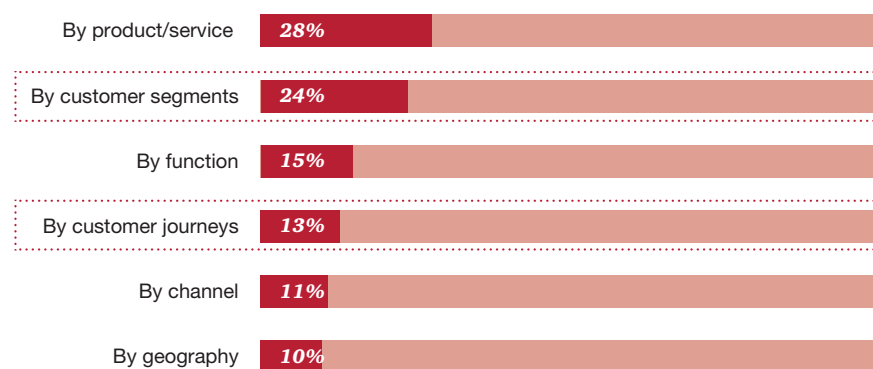
To successfully navigate the speed and the magnitude of change in the ‘Intelligent Experience Economy’, organisations can blindly continue to look through the traditional lenses of products, channels and segments. Less than a quarter (24%) of survey respondents said that their organisation is structured by customer segments, and even fewer by customer journey (13%) – which should be the goal (see Figure 4). This is especially important, as most organisations say that CX – like many other functions – is siloed and not yet a part of the organisation’s ‘DNA’.

product/service lines. Alternatively, organising around the customer keeps the focus on the holistic experience. It also enables cross-functional teams to work together effectively so as commercial decisions are made in the name of improving the CX.

Given the general aversion to organisational restructuring, some organisations have created new roles like ‘journey owners’ to act as custodians of the customer experience. ‘Journey owners’ are responsible for planning and budgeting, implementing quick-win ideas and creating organisation-wide visibility

**Figure 4 13% of organisations are organised around the customer today**

Q: How is your organisation primarily structured today?



Base: 507 global CX decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of PwC, September 2016

As highlighted in our research, CX is widely accepted as integral to the success of the organisation. Few organisations have reflected the importance they place in CX in their ways of working and operating model. Journeys are more than touchpoints – they should be the new value chain for the organisation.

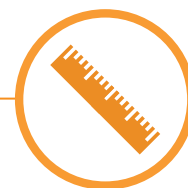
The disconnect between the rhetoric and the reality can be traced back to a bygone era. Traditionally many teams were organised along functional or

of the customer journey using tools like journey dashboards. They also lead cross-functional working groups to iterate new ideas to improve the customer journey. Other ‘dotted line’ relationships – like ‘customer champions’ – help CX teams translate the CX vision across the organisation. Nurturing extra skills and capacity beyond what’s available in the CX function is essential to delivering the CX vision.

## Actions

The good news is most executives understand the importance of CX and have some form of customer strategy to address it. However the ‘Intelligent Experience Economy’ calls for revolutionary action rather than the incrementalism that many organisations have adopted to date. We believe a new era requires a reboot to truly make the customer journey the new organisational value chain:

- **Create enterprise-wide customer journeys.** Organisations must develop an enterprise-wide customer journey. Creating a common language and taxonomy around the customer that is universally adopted will fuel CX transformation at scale and embed the customer in the core of the organisational culture.
- **Form teams around the journey.** Traditional silos need to be blasted away. Teams that are structured around products, segments and channels crumble in the face of experiences – no single department owns the CX. The days where the experience was delivered within the four walls of the organisation are over. More and more, experiences will involve third parties to bring the value that customers demand.
- **Give executives ownership of journey stages.** Customer journey stages must be championed from the top down and cascaded throughout the organisation. KPI’s and scorecards must be defined around the journey to ensure executives are focused on optimising the customer journey instead of internal considerations. Accountability for CX must start at the top with executive buy-in.



# Embed customer measurement across the organisation

*“I think that we’re heavy on focus groups when we should be doing more to capture behaviours, what the customer does versus what the customer says.”*

Senior Digital Product and Marketing Director, Large US Grocery Retailer

Whilst many organisations have made strong progress in measuring key touchpoints along the customer journey, such as ‘moments of truth’ and ‘pain points’, this needs to evolve to understanding the end-to-end experience a customer has across a connected journey. Organisations should start by rethinking the measurement method.

CCO’s assessing their CX transformation efforts must take into consideration how mature their organisation’s CX measurement maturity is. For most, CX measurement is still immature – actively listening to customers and collecting feedback, but not yet taking action with CX initiatives. Over half of respondents we surveyed are currently in this ‘active listening’ stage, which is really just a prerequisite in the ‘Intelligent Experience Economy’ (see Figure 5).

Moreover, many organisations today misunderstand the capabilities that are needed to truly transform CX. 56% of organisations surveyed think that actively listening to customers via customer feedback and research will be the key to customer experience improvement (see Figure 5). This is just the first step, and measurement cannot be where customer transformation begins and ends. While surveys are great for finding and fixing problems, they are not enough to break out of the status quo feedback loop and fundamentally reimagine and innovate CX at scale.

It comes as no surprise that one of the top barriers to changing the CX today is difficulty linking CX measurement to business metrics. In fact, not having a clear process to measure the impact of the new customer experience

**Figure 5 Most organisations have an immature approach to CX today – listening but not implementing changes**

Q: Which of the following best describes your organisation’s approach to customer experience improvement today?



vision on business metrics or financial outcomes was perceived as the second most significant barrier to CX change (see Figure 8).

In our experience, we have seen a number of examples highlighting the disconnected nature of CX measurement in many organisations today:

- **Marketing and brand-based CX measurement.** We have all heard the usual spin, maybe even from consultants like us, which intuitively makes sense! Yet most marketing dashboards include measures that revert back to form – return on marketing investment. It's not enough just to consider the sales impact when journeys have no specific revenue objective in the short-term.
- **Interaction-based CX measurement.** These measures (for example, CES, first response & average handling time) simply provide a score from customers to rate a specific experience that they had with the organisation. There is no context of the experience before or after the interaction. Whilst understanding how many visits to a website or knowing contact centre abandonment rates provide insight on these specific interactions, they are not measures which will drive an agenda to turn the dial on transforming the CX in its entirety.
- **Channel-based CX measurement.** Most organisations have good channel-specific insights. However, very few attempt to understand the 'joined up' experience because it is outside the scope of the channel, and data has historically

been difficult to obtain. With the maturity of understanding a 'single view of the customer' that Data Management Platforms ('DMP's') have brought us, the opportunity is there for organisations to draw deep analytics and insights.

- **Customer Value Proposition economic measurement.** Very few organisations have an ability to understand the economics of a 'Customer Value Proposition' ('CVP'). A CVP by definition is the delivery of the desired experience a customer (or segment of customers) has with a brand.

Why can only a select few organisations actually answer what the economic returns are from delivering their proposed CVP? In part, this goes to the heart of the issue many CCO's face when competing for capital within an organisation - they talk in generic terms that don't link to real value. Having a good NPS is nice, but the questions that need solving remain unanswered...

1. *What parts of the customer journey require investment?*
2. *What are we going to stop doing to fund this new activity?*
3. *What can our business partners do?*

Most CCO's revert back to blind trust – the CX measurement must move from 'x to y'. It isn't enough in the 'Intelligent Experience Economy'.

## Actions

- **Develop real-time customer metrics.** CX in the 'Intelligent Experience Economy' requires a smarter experience – one that is powered by real-time customer metrics that the organisation has joint responsibility for.
- **Tie CX metrics to real value.** The days of 'soft' customer metrics must end. In their place, we see the need for a new, harder measure that is pervasive across the organisation. It must be tied to delivering economic and social value. Whilst this is not easy, it is critical for successful delivery and to ensure key stakeholders 'buy in' to CX transformation. KPI's and scorecards must be defined around the journey to ensure executives are focused on optimising the customer journey instead of internal considerations. Accountability for CX must start at the top with executive buy-in.

# Let the CCO drive CX change

Most organisations (80%) are expecting major changes to their current CX in order to meet their future customer vision and strategy (see Figure 6). It is not just about tweaking touchpoints along the customer journey, but radical innovation of the CVP and how it is driven and delivered. Our concern is that organisations aren't really grasping how big this change is going to be in the 'Intelligent Experience Economy'. When we delved deeper into the expected change we found:

- **Despite the magnitude of change required, many CCO's believe their vision can be achieved in only a few short years.** Over half of the organisations surveyed believe they will achieve their CX vision within 2 years (see Figure 7). This is not in line with prior Forrester research, which has found that successful CX transformation

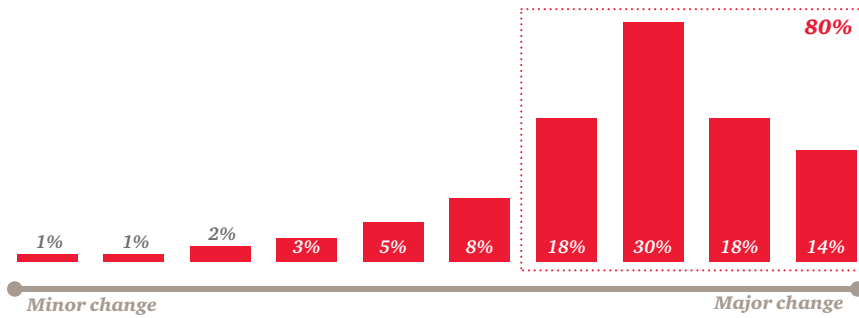
normally takes at least 5 years. Only 9% of our survey respondents see the change taking more than 5 years (see Figure 7).

- **CCO's are very confident they will be able to succeed.** Given the major changes and tight timelines expected as part of CX transformation, it would be reasonable to expect some concern from organisation's on their ability to quickly achieve change. However, our research found the opposite – 77% of respondents are very confident that they will meet their desired change for CX (see Figure 7). This confidence may come from how important this change is for future success. As one Digital Marketing Director that we spoke to put it, "I am very confident, because if we are not 90% of the way there in a year, we are probably in a lot of trouble as a company."



**Figure 6 Major changes are needed for a majority of respondents to meet their organisation's customer vision/strategy**

Q: To what degree do you think your organisation's current customer experience needs to change to meet your customer vision/strategy?

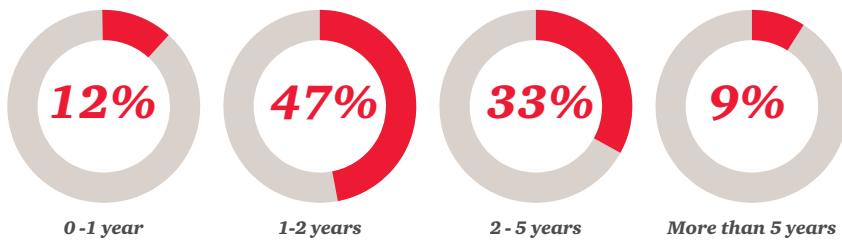


Base: 507 global leaders responsible for customer experience initiatives at their organisations

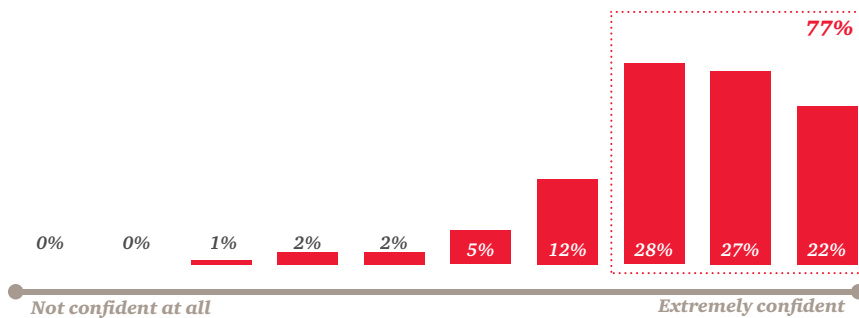
Source: A commissioned study conducted by Forrester Consulting on behalf of PwC, September 2016

**Figure 7 Wishful thinking? Over half of organisation's expect to change the CX within two years, and most are very confident they will succeed**

Q: Within what timeframe do you expect your organisation to have made this change to the customer experience?



Q: How confident are you that your organisation will achieve its desired change customer experience?



Base: 507 global CX decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of PwC, September 2016

*“If you don’t have your most senior people aligned on this [CX], it’s such a large effort that lack of support can grind you to a halt.”*

Marketing Director,  
UK Transportation and Logistics firm

A closer examination of where organisations are today raises serious questions about their ability to reach their ambitious CX goals in the next few years. Organisations that are confident in a quick CX transformation should consider the following (see Figure 8):

- Almost 1/3 of respondents say that their organisation lacks a roadmap to their future state; and
- 26% say they do not have executive buy-in for their vision.

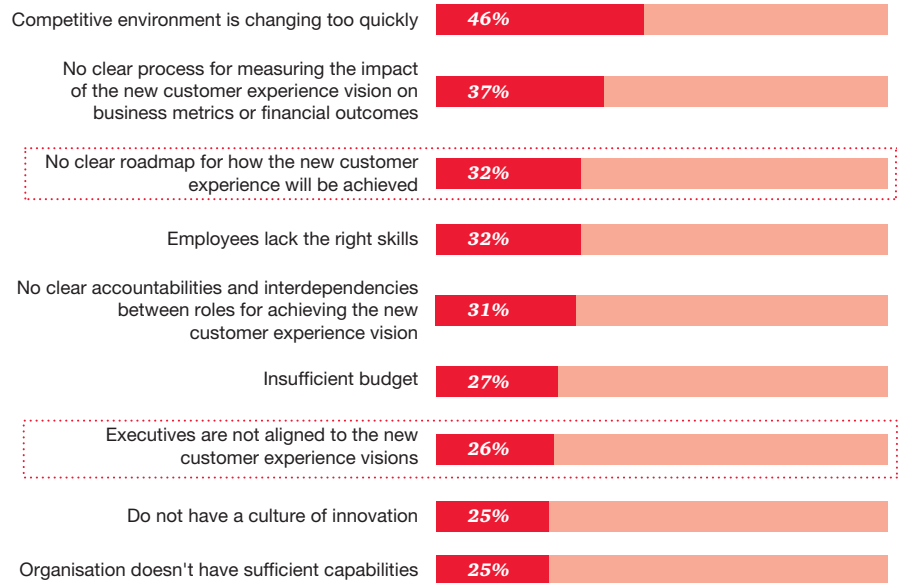
Without a clear roadmap and executive buy-in, it will be nearly impossible to create the real, transformative CX change needed to keep pace with competitors and rising customer expectations.

The ability to successfully navigate this change and orchestrate CX transformation where there is no resemblance of the CX in the organisation is difficult. The role of the CCO – the person who leads the customer agenda in the organisation - has developed from building awareness around the customer and understanding customer insights to driving and executing the CX (see Figure 9).

CCO’s rarely have end-to-end execution capabilities, but in the ‘Intelligent Experience Economy’ they will have a real need for either a louder voice amongst the C-Suite or end-to-end capabilities to execute the CX vision, mobilised around journey stages.

**Figure 8 Nearly 1/3 of respondents have no roadmap for the future of CX, 1/4 lack executive support**

Q What do you want perceive to be the most significant barriers to changing the CX of your organisation?



Base: 507 global leaders responsible for customer experience initiatives at their organisations

Source: A commissioned study conducted by Forrester Consulting on behalf of PwC, September 2016

Figure 9 Archetypal CCO roles

	Advocate	Orchestrator	Deliverer
Role overview	<ul style="list-style-type: none"> <li>• A sharp focus on understanding customer needs and ensuring the customer voice is heard in senior decision-making forums</li> </ul>	<ul style="list-style-type: none"> <li>• Works across a broad portfolio of functions to bring a focus on the customer and coordinate the meeting of customer needs</li> </ul>	<ul style="list-style-type: none"> <li>• Direct responsibility for delivery of customer sales and service experiences</li> </ul>
Nature of the role	<ul style="list-style-type: none"> <li>• Advocates aim to understand customer characteristics, clarify customer needs and reflect customer ‘voice’ in decision-making in the organisation</li> <li>• The advocate usually oversees a small customer advocacy team but often also adopts additional line responsibilities such as customer analytics</li> </ul>	<ul style="list-style-type: none"> <li>• Orchestrators work to understand customer needs and then work across the organisation to coordinate delivery of experiences and solutions that meet those needs</li> <li>• Often they take responsibility for building customer-centric capabilities that are consistent, and implement customer-centric design in activities</li> </ul>	<ul style="list-style-type: none"> <li>• Deliverers have direct operational oversight over many customer-facing functions and other customer-related functions such as servicing and branding</li> <li>• The role usually manages a large team and has direct accountability for sales, customer service and customer satisfaction</li> </ul>
Role variations	<ul style="list-style-type: none"> <li>• Advocate solely on customer outcomes or also on how outcomes are delivered</li> <li>• Focused on advocacy or have additional line responsibilities such as ownership of customer data</li> </ul>	<ul style="list-style-type: none"> <li>• Ownership of specific line functions such as marketing or customer analytics</li> <li>• Level of formal decision rights and budget control</li> </ul>	<ul style="list-style-type: none"> <li>• Functions under management of the CCO (e.g. sales, marketing)</li> <li>• Division of time between customer insight and operational delivery</li> </ul>

## Actions

The role of the CCO needs to evolve or radically change if organisations are to execute on their ambitious goals for their CX visions in the next few years:

- **Move beyond ‘measuring’ the CX.** The role of the CCO will need to shift from ‘measuring the CX’ to being directive on the priorities to drive CX change. This should not only include championing the case for change, focus and investment for CX, but also:
  - Ensuring all strategic plans and initiatives are considered and prioritised through a consistent lens;
  - Aligning the CX with the organisation’s long-term vision;
  - Setting short-term objectives based on customer outcomes over measureable horizons; and
  - Keeping pace with competitors and rising customer expectations.
- **Establish end-to-end cross-functional delivery teams.** In order to be more directive, end-to-end capabilities will be needed within the organisation, framed around journey stages. The CCO must shift from orchestrating execution in a non-centralised team within functional silos to creating and managing cross-functional teams (who have grounding in the vision for their respective journey stage) to improve CX.







# Ignite the core

To create real CX transformation – the CCO cannot be successful alone. We believe the challenge is about ‘igniting the core’ around CX. Many organisations can innovate the CX in an innovation hub, however the fundamental challenge for many incumbents is scaling the experience across an organisation that has legacy processes, systems and cultures. This is possibly the most entrenched barrier to reimagining the CX.

Whilst cultural legacies can be problematic, organisations shouldn’t lose sight of one of their core assets – the innate desire of their people to deliver excellent CX. This is especially important when many customer-centric innovation’s may be perceived as threats by stakeholders who are not engaged in the vision – with concerns

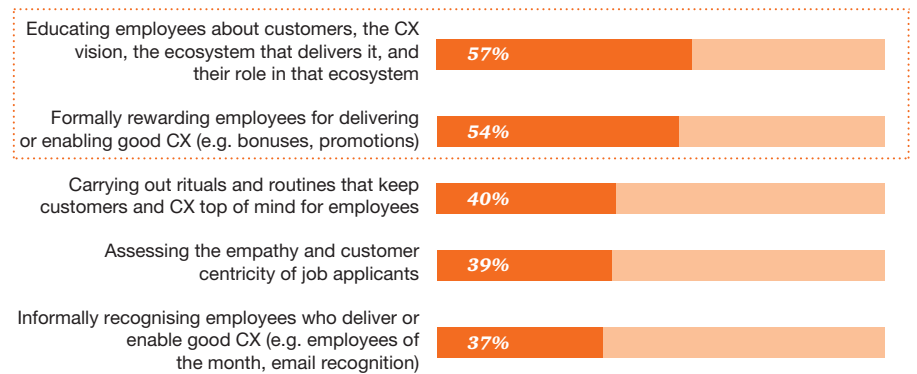
like AI and robotics taking jobs from real people. People are at the heart of a successful response and hold the power to make the change real.

To successfully drive new ways of working around the CX, all employees should be focused on, and accountable for the organisation’s CVP. To do this, organisations must take the time to understand the moments where employees impact CX. All staff must understand the critical role they play. All employees need to be immersed in a unified CX vision.

Educating employees about the importance of the customer, of the CX vision for the company, and the ecosystem that delivers it needs to be a top priority, as recognised by 57% of survey respondents (see Figure 10).

**Figure 10 57% of organisations focus on educating employees to drive new ways of working around the CX**

Q: How do you drive new ways of working around the CX?



Base: 507 global leaders responsible for customer experience initiatives at their organisations

Source: A commissioned study conducted by Forrester Consulting on behalf of PwC, September 2016

*“Every week, we write a note to everyone in the company that includes a customer success story. We use this to build empathy for the customer with our employees. We are encouraging employees to become customer champions based on this storytelling.”*

Managing Director of Personal Lines,  
UK Insurance firm

Beyond this, organisations need to make customers top of mind for their employees. This can be accomplished in a variety of ways – through KPI’s, incentives/rewards or through processes that remind employees of the importance of CX (e.g. listening to calls, speaking to ‘real’ customers at the frontline, etc.). A culture of CX is the cornerstone of success in the ‘Intelligent Experience Economy’.

But it’s not enough to simply educate employees on the vision – organisations hoping to thrive in today’s competitive environment must grow or acquire customer-centric design and delivery capabilities. While many organisations now have some form of ‘design thinking’ capability, few understand the core steps involved in linking ‘design thinking’ to CX transformation, including framing problems around the customer, co-creation, utilising behavioural economics techniques and applying agile delivery (see Figure 11).

Designers, and the integrative thinking and creative skills they bring, are essential for any organisation serious about CX. As Agile and Lean methods replace scoping documents and ‘waterfall’ development processes,

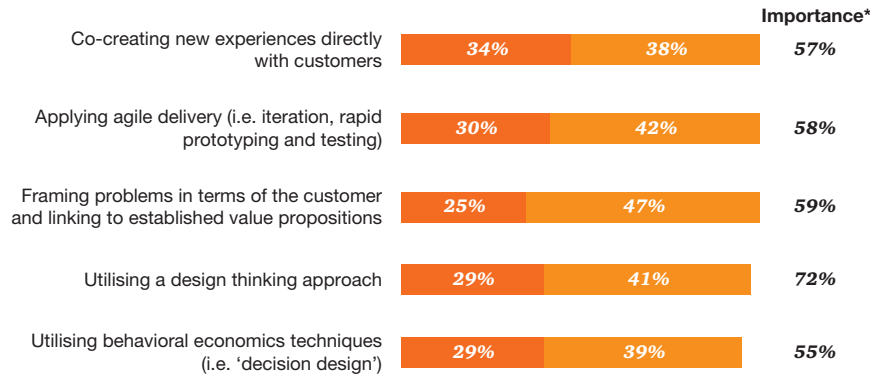
companies need to adapt to a new reality that hinges on quick iterative development cycles, rapid prototyping, constant customer intimacy and testing, and tight collaboration among many small teams.

The skills required for CX transformation are in high demand. Organisations must rely on partners to fill in the gaps. At present partnering is widespread for analysing customer insights, training employees and prioritising the most important parts of the CX to focus on (see Figure 12). As many organisations are still in the ‘active listening’ phase of CX maturity, partners can give them the skills and expertise they need.

Many organisations underestimate the effort, planning and capabilities required for wholesale changes to the CX. And with so many opportunities for improvement, and capability gaps to fill, it can be almost paralysing to decide where to start.

**Figure 11 72% of organisations appreciate the importance of design thinking to successfully achieve change in the CX**

Q We'd like to understand what capabilities your organisation currently has in terms of customer-centric design and delivery. For the following, please rate your organisation's current maturity



Base: 507 global leaders responsible for customer experience initiatives at their organisations

Source: A commissioned study conducted by Forrester Consulting on behalf of PwC, September 2016

\* Determined by the percent of respondents who ranked capability within the top three (rank 1,2, or 3) in terms of importance to their organisations

**Figure 12 Partners can help organisations close CX skill gaps and jumpstart CX initiatives**

Q Do you engage partners for any of the following?



Base: 507 global CX decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of PwC, September 2016

## Actions

To 'ignite the core' around the customer, organisations need to spread the CX strategy:

- **Conduct the organisation-wide orchestra around the customer tune.** Before venturing too far down the transformation path, organisations must develop and socialise the CX vision with all leaders, managers, frontline employees and back office employees alike. But it's not enough to simply educate employees on the vision – they must also understand how their work directly affects the experience of their customers and what they're empowered to do to improve that experience.
- **Embed the customer into ways of working.** Organisations that complete their CX projects, but fail to change the underlying foundation of their organisation will ultimately lose ground to those who can. Organisations must:
  - **Adopt design thinking methodology and deliver through agile sprints.** Design thinking and Agile test-and-learn methodologies should be ingrained in the way the organisation operates – ideas that receive positive feedback are rapidly scaled; while those needing improvements are iterated and/or discontinued.
  - **Immerse staff in the CX.** You cannot teach CX from a textbook. 'CX Rooms' that are interactive and immersive spaces can be an effective way to bring customers and their journeys to life and help staff better understand their customers.
- **Instil a new mindset.** CX is not a project or even a department, it is a belief system that permeates everything an organisation does – it is business as usual!
- **Tie incentives to CX performance.** 'What gets measured gets done'. The old adage has never been more true. Unfortunately for too many organisations, the excitement around the customer is tempered by misaligned objectives and measurement systems. Accountabilities for CX must be clear across the customer journey. CX metrics should form part of employees KPI's and be tied to financial/non-financial rewards for employees, management and senior leadership.
- **Establish partnerships across the value chain.** To break new ground as a CX leader, organisations will have to establish partnerships across the value chain – including UX/CX experts, data analysts, AI architects, app developers, as well as project delivery partners.
- **Invest in talent.** When organisations seek to undergo a CX transformation, their leaders must decide where to invest in talent. A capabilities-driven approach, one that first requires an answer to the question – what to focus on and strengthen? – will help organisations resolve the people-related issues that they inevitably face, by determining the key differentiating capabilities that will set themselves up for future success.
- **Train CX skills.** CX should form a core part of organisation-wide training, with everyone being made aware of how their role impacts the end CX.



## ***Bring analytics out of the shadows***

AI will be the dominant capability enabling companies to reimagine the CX in the 'Intelligent Experience Economy'. Analytics functions will always include 'insight' capabilities such as predictive market models and operational analytics. The incredible opportunity AI provides is the ability to embed this into the experience itself – for example, providing proactive alerts on your mobile phone in the supermarket of products you normally buy that are on special when you walk into the store. And that exists today.

So what does the next-generation of this look like? It's up to organisations to truly leverage all techniques and technologies in the market to design

something that's innovative yet simple for human consumption. This is not going to happen unless organisations fundamentally embed analytics into their CX strategy.

The good news is 41% of organisations we surveyed recognise the growing importance of 'big data' and analytics as a key catalyst for driving the need for change to the CX (see Figure 13). The CCO will need to embed AI as a core competency. New roles will need to be created like 'analytics experience architects', responsible for architecting data sets that are outcome-focused, many of which will require collaboration with external data, where AI self-learning can be embedded.

Many advanced analytics functions have already been busy developing robust analytics to support business functions in the areas of marketing campaigns, pricing and product development.

Organisations that embrace AI and embed this into the CX will deliver far more compelling value to the customer, which will be very hard to reciprocate when compared to those who choose not to.

**Figure 13 41% of organisations recognise big data and analytics as a major catalyst for CX change**

Q: What are the key factors driving this need for change to the CX?



Base: 507 global leaders responsible for customer experience initiatives at their organisations

Source: A commissioned study conducted by Forrester Consulting on behalf of PwC, September 2016

## Actions

The next-generation CX requires a smarter experience – one that is powered by AI. Organisations must:

- Embed AI as a core competency.** With mobility, artificial intelligence and the Cloud the future conductors of the CX, the focus now is not just about delivering personalised CX but making those experiences smarter, faster and relevant to the needs of customers. The CCO will need to embrace AI, integrate it into the CX design processes and functions and embed it as a core competency within the organisation.
- Create new roles – introducing ‘analytics experience architects’.** New roles will need to be created like ‘analytics experience architects’ who are equipped with the right skills to truly deliver on an organisations’ CX vision. These employees will be responsible for architecting data sets, many of which will require collaboration with data outside of the organisation, where AI self-learning can be embedded.





# *The time for talk is over...*

## How can you execute the customer experience?

There was a time when implementing a CRM system was enough for an organisation to declare itself as customer-centric. A short time after that, organisations merely had to measure the customer experience to be customer experience leaders. Those days are over, even if many CCO's don't think they are. To be a leading customer experience organisation, you must move beyond the talk and actually execute the customer experience at scale across the organisation.

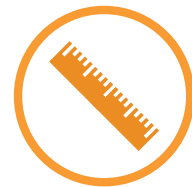
Our research has revealed that many CCO's underestimate the magnitude of this task. This is a dangerous mistake to make. Customer strategy execution is transformational in nature and requires new capabilities, new ways of working and an entire organisation fully behind the mission.

There is a path forward. To truly navigate the new 'Intelligent Experience Economy', follow our approach...



### **Make the customer journey your new value chain**

It's one thing to know your customer journey. It's quite another to fundamentally reshape your organisation around it. However that is exactly what is needed to turn the customer journey map from a pretty picture on the wall to a roadmap for CX change. Leading CX organisations are not just investing in creating their enterprise wide-customer journey, they are taking the next step and reorganising their operating model and ways of working around it. Some effective examples of this approach include executive ownership of the customer journey and forming cross-functional teams around journey stages.



### **Embed customer measurement across the organisation**

Customer metrics are now commonplace in businesses almost everywhere. Of course the metric is important, but too many organisations see it as the end point instead of the starting point. The challenge for CX-leading organisations is to reject 'fluffy' CX metrics and actually tie their customer strategy to tangible business value.

The best in CX are measuring the journey holistically (rather than just a 'touchpoint view') and measuring CVP economic measurement to inform what parts of the journey they should invest in, what investment they should stop and how they can engage partners to help them improve CX efficiently.





### Let the CCO drive CX

The 'Intelligence Experience Economy' is challenging CCO's to not only consider the seismic market forces that they need to face, but to consider the type of role they need to play within their organisations. The CCO can no longer be just a 'customer evangelist' or an NPS 'measurer-in-chief', they must be responsible for actually delivering the CX. The best CCO's are now mobilising cross-functional teams to execute CX delivery and are aligning the strategic priorities of the business around a consistent and unified customer lens.



### Ignite the core

Your business has an innovation lab? That's great, but how will the frontline turn that innovative thinking into real customer value? Successful CX transformation requires the core to be ignited around the customer vision. Each employee must intimately understand how their role impacts the experience of the customer, from back-office staff to the frontline of customer service. They also need to be equipped with the right skills and capabilities to bring the vision to life, including design thinking and agile 'test and learn' methodologies.



### Bring analytics out of the shadows

Our research confirms that businesses understand the critical and still growing importance of 'big data' and analytics. However, having an Analytics function with 'insight' capabilities is no longer enough to get a seat at the table in the 'Intelligent Experience Economy'. AI powered by analytics is now required to take customer insights and embed them in the experience. Too many businesses still think AI is 'on the horizon'. The best CCO's know that AI is here and are adapting by embedding AI as a core competency and creating new roles such as 'analytics experience architects'.

**The customer is important, but talk is cheap. In the age of the 'Intelligent Experience Economy', now is the time to act by executing the customer experience. We know you think you're ready. *But are you?***



## *Appendix A: Methodology*

In this study, on behalf of PwC, Forrester conducted an online survey of 507 enterprise organisations of 1,000 or more employees in Australia, China, Hong Kong, Japan, US, Canada, Germany, UK, and Brazil to evaluate CX today and the capabilities needed to achieve their CX vision.

Survey participants included senior decision-makers (CCO's, COO's, CEO's, CMO's, Directors, VPs, etc) responsible for CX decisions in their organisation. In addition, Forrester conducted interviews with five CX decision makers in the US and UK on the same topic. Interviewees were offered a financial incentives for their time. The study was conducted in September 2016.

---

# PwC Contacts



**Rik Reppe**  
USA, Partner  
rik.reppe@pwc.com



**Nikolas Beutin**  
Europe, Partner  
nikolas.beutin@de.pwc.com



**Takahisa Maruyama**  
Japan, Partner  
takahisa.maruyama@pwc.com



**Nadir Hirji**  
Canada, Partner  
nadir.hirji@pwc.com



**Sean Colvin**  
Australia, Partner  
sean.colvin@pwc.com



**Elissa Arkininstall**  
USA, Director  
elissa.arkininstall@pwc.com



**Eugene Macey**  
Australia, Director  
eugene.macey@pwc.com



**Dawn Bloxwich**  
UK, Director  
dawn.bloxwich@pwc.com



**Steve Willcocks**  
UK, Director  
steve.willcocks@pwc.com



**Pamela Chong**  
Hong Kong, Director  
pamela.t.chong@hk.pwc.com



**Ankur Udani**  
USA, Director  
ankur.udani@pwc.com



**Patrick Mäder**  
Switzerland, Partner  
patrick.maeder@ch.pwc.com



**Alexander Schultz-Wirth**  
Switzerland, Partner  
alexander.schultz-wirth@ch.pwc.com



**Frank Briedé**  
Switzerland, Senior Manager  
frank.briede@ch.pwc.com



**Reto Brunner**  
Switzerland, Partner  
reto.brunner@ch.pwc.com

## Contributors

**Will Kingston**

**Gabriella Kuiters**

**Nicole Adaley**

**Michael Plassmann**

---

***www.pwc.com***

© 2017 PwC. All rights reserved.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 223,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

127049446