

Why CX? Why Now?

Customer experience (CX) is no longer just a discipline; it's the basic ingredient for growth. Keeping customers longer, growing revenues faster, and improving profit margins are just a few reasons why now is the time to invest in CX.

THE URGENCY TO INVEST IN CUSTOMER EXPERIENCE

<p>Digital disruption lowers barriers to entry.</p> 	<p>Netflix has 65 million subscribers, about 3 times more than Comcast.¹</p>
<p>Hyperadoption reduces customer loyalty.</p> 	<p>San Francisco has seen a 65% drop in average trips per taxi following Uber's entry to the market.²</p>
<p>A changing workforce makes it harder to retain talent.</p> 	<p>With over 53.5 million workers, Millennials surpassed Gen X as the largest generation in the workforce.³</p>

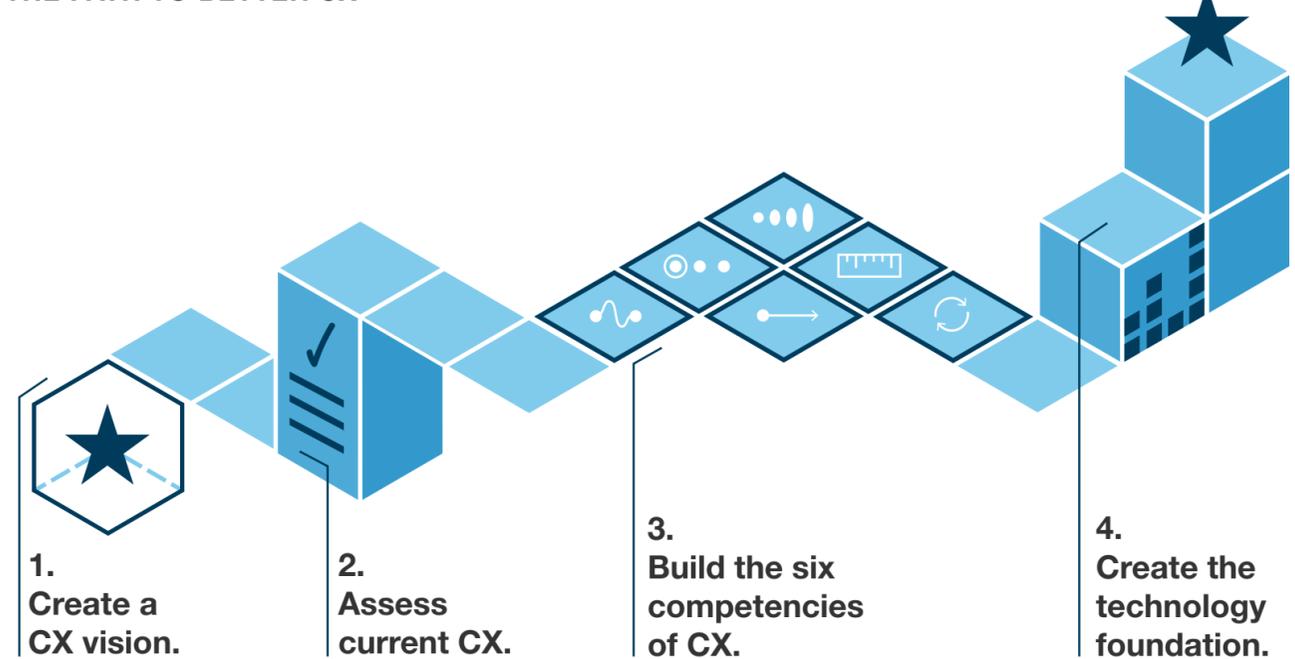
MOST COMPANIES HAVE A LONG WAY TO GO

<p>84% of firms aspire to be a CX leader.⁴</p> 	<p>But only 1 out of 5 companies delivers good or great CX.⁵</p> 
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Firms lack discipline in the six competencies to execute great CX consistently.⁶

<p>CUSTOMER UNDERSTANDING </p> <p>Only 16% believe their customer-facing employees can summarize the full arc of the experience.</p>	<p>DESIGN </p> <p>Only 36% require prototyping and iteration.</p>	<p>MEASUREMENT </p> <p>Only 50% have modeled how overall CX quality influences customer behavior.</p>
<p>PRIORITIZATION </p> <p>Only 49% know what key experiences are.</p>	<p>DELIVERY </p> <p>Only 33% of firms require soft-skills training for customer-facing employees.</p>	<p>CULTURE </p> <p>Only 33% formally evaluate how customer-centric executives are before offering them a job.</p>

THE PATH TO BETTER CX



GREAT CX DRIVES BUSINESS RESULTS

<p>5.1x Revenue growth of CX leaders over laggards⁷</p>	<p>4.5x Willingness to pay a price premium of customers who have excellent versus very poor experiences⁸</p>	<p>2.7x The operating margin for companies with engaged employees⁹</p>
<p>1-800 Contacts 12% increase in customer retention¹⁰</p>	<p>Southwest 43 consecutive years of profitability¹¹</p>	<p>Delta Air Lines \$3 million reduction in costs to serve customers¹²</p>

FORRESTER CAN HELP FOCUS YOUR CX EFFORTS

 **Research**
 **Consulting**
 **Connect**


GET STARTED AT FORR.COM/CX

1. Source: "Overview," Netflix and "Comcast Overview," Comcast. **2.** Source: Jacob Davidson, "Uber Has Pretty Much Destroyed Regular Taxis in San Francisco," Time, September 18, 2014. **3.** Source: Richard Fry, "Millennials surpass Gen Xers as the largest generation in U.S. labor force," Pew Research Center, May 11, 2015. **4.** Base: 56 global customer experience leaders; source: 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.) **5.** 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. **6.** Base: 212 US-based CX professionals; source: Forrester's Q4 2015 US Customer Experience Maturity Online Survey. **7.** 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. **8.** Source: Forrester's Customer Experience Index Online Survey, US Consumers 2016. **9.** Source: "2012 Global Workforce Study," Towers Watson, July 2012. **10.** Source: Ryan Nelson, "1-800-CONTACTS Increases Net Promoter Score by 13 Points, Wins Innovation in Service Excellence Award," Qualtrics, June 29, 2015. **11.** Source: "Southwest Corporate Fact Sheet," Southwest Airlines. **12.** Source: Forrester interview with Nuance Communications, September 1, 2016.