CMSWiRE PREMIUM RESOURCE

2016

Digital Customer Experience Survey

Shifting Challenges and Goals in the Digital Customer Experience Landscape

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Executive Summary

The path to digital transformation has proven to be a complex one. Not only do organizations need to understand how best to use digital to enhance the customer experience, they also must determine how to evolve their operational processes to create a more agile, customer-centric organization.

Add to that the explosion of platforms and software available to support this transformation and it's no wonder businesses are struggling to make sense of it all.

In the second year of CMSWire's digital customer experience (DX) survey, we find out where many organizations stand in their transformation to digital and dig into details about their biggest DX challenges, needs and opportunities. While the results reveal that organizations are still working out the complexities of digital transformation, digital customer experience remains a priority for just about every business.

Key findings include:

- In 2015, 94 percent of companies surveyed noted they had begun their digital transformation. That number dropped to 76 percent this year — a sign that companies have taken a step back to re-evaluate their status as they come to understand the evolving DCX ecosystem and where they fit in this space.
- Most companies have made digital customer experience a priority. About 99 percent rate digital customer experience a priority in their organization, up from 94 percent of those surveyed in 2015.
- Customer satisfaction, the need to boost sales and the need stay ahead in the industry are the top three reasons companies are investing in digital customer experience.
- Most companies measure success of their digital experience efforts using site traffic, conversion rate and customer satisfaction (CSAT).
- Respondents consider a variety of components such as Web CMS, analytics, CRM, testing and optimization and marketing automation to be equally important when building a digital customer experience infrastructure.

SECTION I

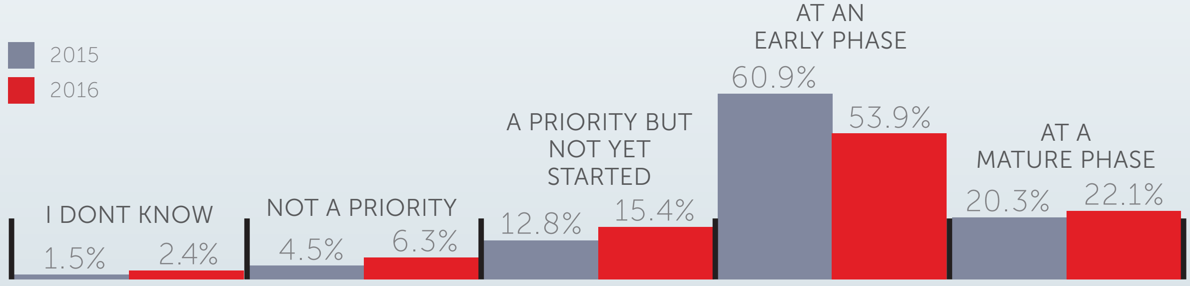
Navigating the Complexities of Digital Transformation

Today's organizations are finding it difficult to get a handle on just how complex digital transformation can be. The results of this year's survey reveal that, although most companies understand the importance of digital transformation, many are just beginning to grasp the scope, perhaps prompting them to re-evaluate where they fit on the transformation curve.

For example, in 2015, 94 percent of survey participants noted that they had begun their transformation. This year, that number dropped to 76 percent. A small percentage of this group (1.8 percent) appears to have graduated to the mature phase, which explains some of the variance. However, more people this year stated that they had not yet begun their transformation despite noting its importance.

As for the other phases, 54 percent are at an early phase in their digital transformation and slightly less than a quarter (22.1 percent) in the mature stage.

› How would you rate the current state of your organization's digital transformation?

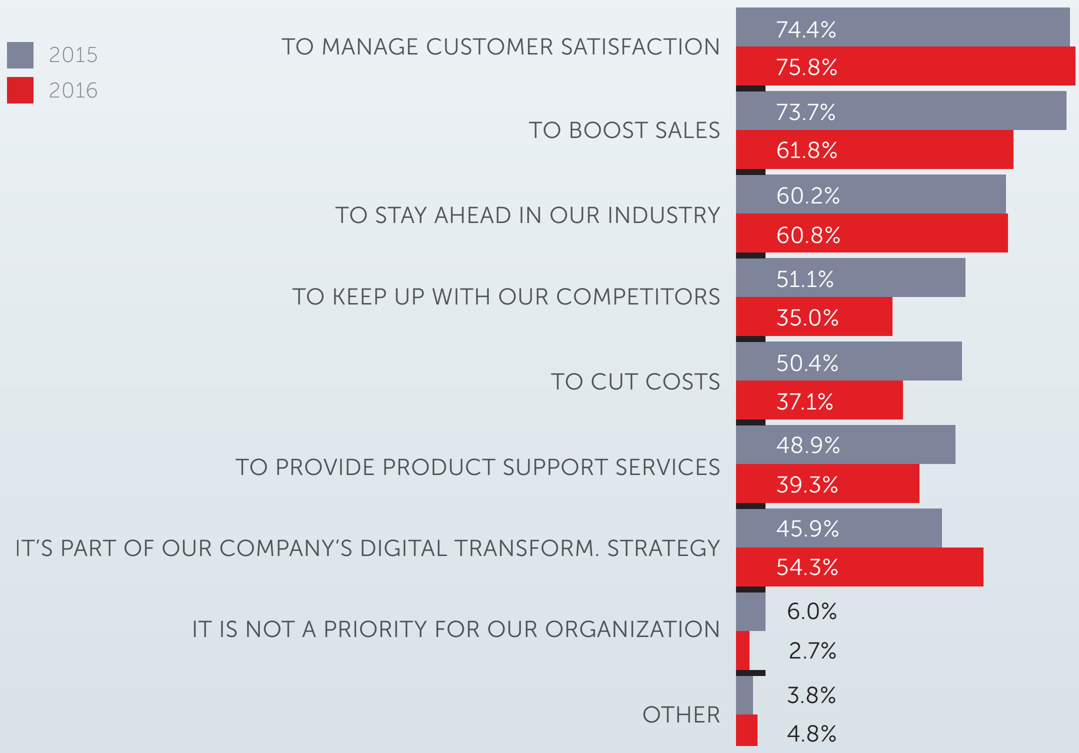


The Importance of Digital Customer Experience

Digital customer experience appears to be rising on the priority list, with only a tiny percentage (1 percent) stating they don't believe it's a priority for their organization — down from 5 percent last year who felt the same way. For 32 percent of respondents, digital customer experience is at the top of their priority list, while 34.3 percent note that it is important to ensure a successful future. (*See Appendix. Figure 1.*)

Respondents across industries have noted that DX has risen in importance; however, it's notable that the healthcare and financial industries in particular seem to be dedicating resources to digital customer experience.

› Why is digital customer experience a priority for your organization? *(Choose all that apply)*



Although 22.1 percent recognize the importance of digital customer experience, they have other competing priorities. 10.6 percent only consider it marginally important.

Reflecting last year's survey, customer satisfaction and the need to boost sales topped the list of reasons why companies invest in digital customer experience. The need to stay ahead in the industry held steady at the number three position.

More than half (54.3 percent) state that digital customer experience is a priority because it's part of their digital transformation strategy — up 8 percent from last year — while 51.1 percent believe that these experiences can help preserve brand integrity, a new choice in this year's survey.

Fewer people this year named things like providing product support services, cost cutting and keeping up with competitors as reasons to invest in digital customer experience. It's possible that their efforts in digital experience have already had positive effects in these areas, reducing the need to prioritize them.

Challenges to Creating Digital Customer Experiences

Companies this year struggle more with strategy, process and people issues related to digital customer experience than they do with technology. The number one challenge organizations face when creating digital customer experiences is a lack of strategic direction, followed by limited operational processes.

This could signal a need for management to step up efforts to educate senior executives about the value of digital customer experience as it becomes a strategic objective.

Limited cross-functional alignment came in as the third most challenging issue, moving down from last year's top spot, suggesting that there has been some progress made on the alignment front.

Limitations of technology appear to be much less of a challenge compared to last year, when it earned the number two spot. This could be due to the fact that organizations have adopted new technologies to support them in their digital customer experience efforts.

› What challenges does your organization face when creating its approach to digital customer experience? *(Rank from most (1) to least important (12))*

RANKING IN %	1	2	3	4	5	6	7	8	9	10	11	12
LIMITED TECHNICAL STAFF EXPERIENCE	5.9	5.9	5.9	17.7	11.8	5.9	17.7	11.8	0.0	11.8	5.9	0.0
LIMITED MARKETING STAFF EXPERIENCE	5.9	5.9	11.8	11.8	17.7	11.8	0.0	5.9	11.8	0.0	11.8	5.9
LIMITED CROSS-FUNCTIONAL ALIGNMENT	5.9	5.9	5.9	17.7	5.9	17.7	5.9	17.7	5.9	11.8	0.0	0.0
LIMITED OPERATIONAL PROCESSES	5.9	5.9	11.8	11.8	29.4	0.0	11.8	0.0	5.9	5.9	5.9	5.9
LIMITATIONS OF CURRENT TECHNOLOGY	5.9	0.0	11.8	17.7	5.9	5.9	5.9	11.8	5.9	0.0	11.8	17.7
LIMITED DATA INTEGRATION	0.0	0.0	23.5	5.9	0.0	11.8	23.5	0.0	5.9	11.8	11.8	5.9
LACK OF ACCESS TO CUSTOMER DATA	5.9	5.9	0.0	0.0	0.0	23.5	0.0	29.4	11.8	11.8	0.0	11.8
TOO MANY SYSTEMS RUNNING IN SILOES	0.0	29.4	0.0	5.9	0.0	5.9	0.0	17.7	11.8	11.8	0.0	17.7
LACK OF STRATEGIC DIRECTION	23.5	17.7	5.9	0.0	5.9	5.9	0.0	0.0	5.9	17.7	11.8	5.9
LACK OF EXECUTIVE SUPPORT	17.7	17.7	5.9	0.0	5.9	5.9	5.9	5.9	5.9	5.9	17.7	5.9
BUDGET CONSTRAINTS	17.7	5.9	11.8	0.0	5.9	5.9	11.8	0.0	17.7	5.9	11.8	5.9
LACK OF CROSS-DEPARTMENTAL COLLABORATION	5.9	0.0	5.9	11.7	11.8	0.0	17.7	0.0	11.8	5.9	11.8	17.7

How Organizations Measure Success

When it comes to measuring the success of their digital customer experience efforts, most companies use the following KPIs: site traffic (53.2 percent), conversion rate (49.8 percent) and customer satisfaction (CSAT) (48.8 percent). These answers align with the digital customer experience priorities identified in our earlier question.

New to this year's survey, participants also consider KPIs like retention rate (41.9 percent), customer acquisition rate (40.4 percent), and to a lesser extent, net promoter score (NPS) (29.1 percent), which is reflective of a move toward a customer-centric culture.

Write-in responses include referrals, engagement and Service Level Agreements (SLA) response times, in addition to a few who noted they don't use any metrics to track success.

SECTION 2

The Digital Customer Experience Ecosystem

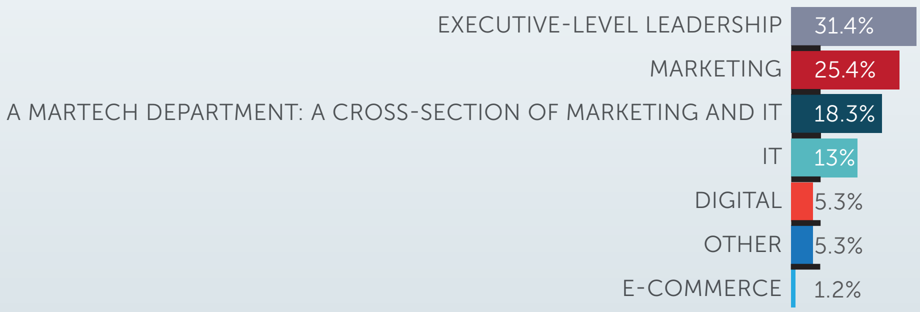
Plans to invest in digital customer experience technology didn't change much from last year's survey. Three-quarters of respondents said they would invest in this technology in the next 12 months, with only 7.1 percent noting they would choose an entirely new platform. (*See Appendix. Figure 2.*)

In looking at which stage organizations fall in the purchasing cycle, we found that 14 percent have recently made a technology purchase, while 96 percent are still considering requirements and comparing options. (*See Appendix. Figure 3.*)

Diving into who makes purchasing decisions, 31.4 percent of respondents note that this responsibility falls to executive level leadership, 43.7 say marketing or a hybrid MarTech department and 13 percent say IT.

› Which department in your organization is the decision-maker for customer experience technology?

(Choose all that apply)



When asked if a Web CMS is a requirement in their digital experience ecosystem, a resounding 82 percent of participants answered yes. (*See Appendix. Figure 4.*) We also asked about the importance of integrating various digital experience capabilities with their Web CMS and found that respondents consider the range of capabilities to be equally important, almost across the board.

Analytics and social engagement tied for the top spot with 53.3 percent naming those components very important, followed by content publishing and multi-site capabilities (50 percent), content workflow and omnichannel publishing (46.7 percent) with CRM/marketing integration, product catalogs/e-commerce and digital asset management (DAM) bringing up the rear.

› How important is it for a CMS to include these categories of digital experience capabilities?

IMPORTANCE LEVEL IN %	NOT	SOMEWHAT	VERY
ANALYTICS	10.0	36.7	53.3
CONTENT PUBLISHING	10.0	40.0	50.0
MULTI-SITE CAPABILITIES	10.0	40.0	50.0
CONTENT WORKFLOW	13.3	40.0	46.7
SOCIAL ENGAGEMENT	23.3	23.3	53.3
OMNI-CHANNEL PUBLISHING	23.3	30.0	46.7
DIGITAL ASSET MANAGEMENT	16.7	53.3	30.0
PRODUCT CATALOGS / E-COMMERCE	30.0	36.7	33.3
CRM / MARKETING AUTOMATION INTEGRATION	10.0	50.0	40.0

SECTION 3

The Digital Experience Infrastructure

When asked about the most important components of a digital customer experience infrastructure, the largest number of respondents (79.2 percent) named Web CMS very important, followed by analytics (77.5 percent), CRM (60.7 percent) testing and optimization (59.6 percent) and marketing automation (57.9 percent).

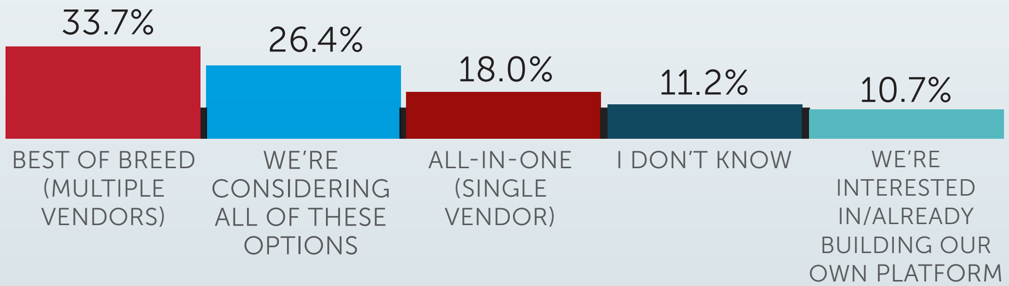
About half also named Digital Asset Management (DAM), social listening and engagement, predictive analytics and customer service portals as very important. In analyzing the data further, every single component on this list was considered to be very important by at least 25 percent of respondents, indicating that organizations are searching for holistic solutions to address their digital experience needs.

When asked about preferences regarding how they prefer to build their digital experience ecosystem, most (33.7 percent)

❯ How important do you consider the components below for a digital experience infrastructure?

IMPORTANCE LEVEL IN %	NOT	SOMEWHAT	VERY
WEB CMS	0.0	20.8	79.2
ANALYTICS	1.1	21.4	77.5
CRM	2.8	36.5	60.7
TESTING AND OPTIMIZATION	4.5	36.0	59.6
MARKETING AUTOMATION	9.0	33.2	57.9
DIGITAL ASSET MANAGEMENT (DAM)	8.4	41.6	50.0
SOCIAL LISTENING AND ENGAGEMENT	7.3	43.3	49.4
PREDICTIVE ANALYTICS	12.9	39.3	47.8
CUSTOMER SERVICE PORTALS	12.9	38.8	48.3
FORMS AND WORKFLOW	14.6	46.1	39.3
MOBILE APP PLATFORMS	17.4	41.6	41.0
FRONT-END API'S	17.4	42.1	40.5
PRODUCT INFORMATION MANAGEMENT PLATFORMS	15.7	51.7	32.6
ADVERTISING (DATA MANAGEMENT PLATFORM - DMP)	25.3	45.5	29.2
E-COMMERCE	30.3	34.8	34.8
HR (ERP)	29.2	46.6	24.2

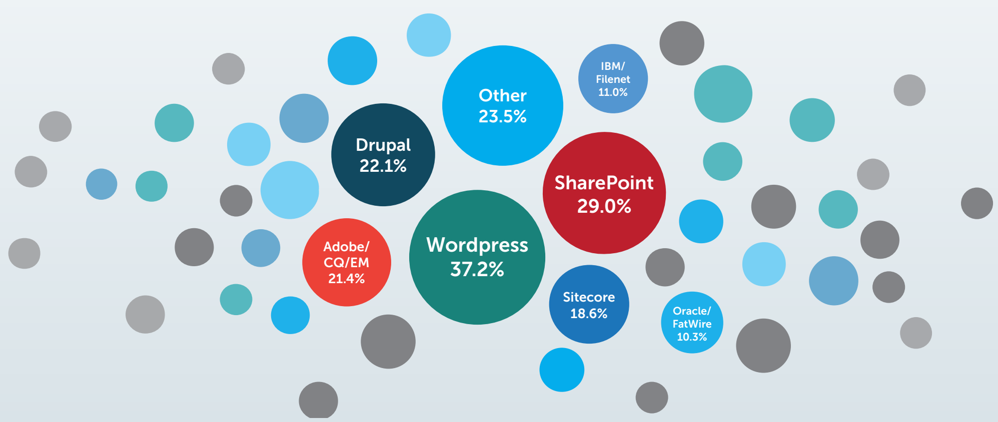
› Would your organization prefer to use an all-in-one platform, best-of-breed (multi-vendor) approach or a build-your-own approach to implementing a digital customer experience ecosystem?



responded that they would go with a best-of-breed approach, piecing together solutions from multiple vendors. Only 17.9 percent prefer a solution from a single vendor, while a significant amount (26.4) are open to either.

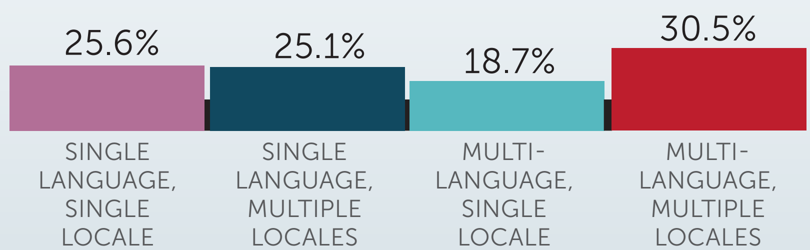
A small percentage (10.7 percent) prefers the build-your-own approach, while slightly more aren't sure which approach is best for them. These responses imply that organizations still haven't found one vendor that is able to effectively satisfy all of their needs around digital customer experience.

› Which web CMS vendor(s) is your organization using?



When asked about which Web CMS vendors they use, respondents identified 66 different vendors, compared to 46 in 2015 — an indication, perhaps, of new players entering into this space, or differing requirements for an organization's multiple sites. WordPress has also moved to the top of the list, bumping Share-Point down to the number two spot. Write-in answers indicate that participants also use custom or homegrown solutions.

› What statement best describes your organization's localization requirements?



About half of respondents note that they use multiple sites managed by multiple CMS's — a 16.2 percent jump from last year. This finding is line with the increase in the number of CMS vendors used in 2016. Also, the number of companies using one CMS to manage multiple sites decreased by almost 12 percent in 2016 compared with last year. This could be a sign that vendors may not be able to keep up with the complex requirements in the digital experience space.

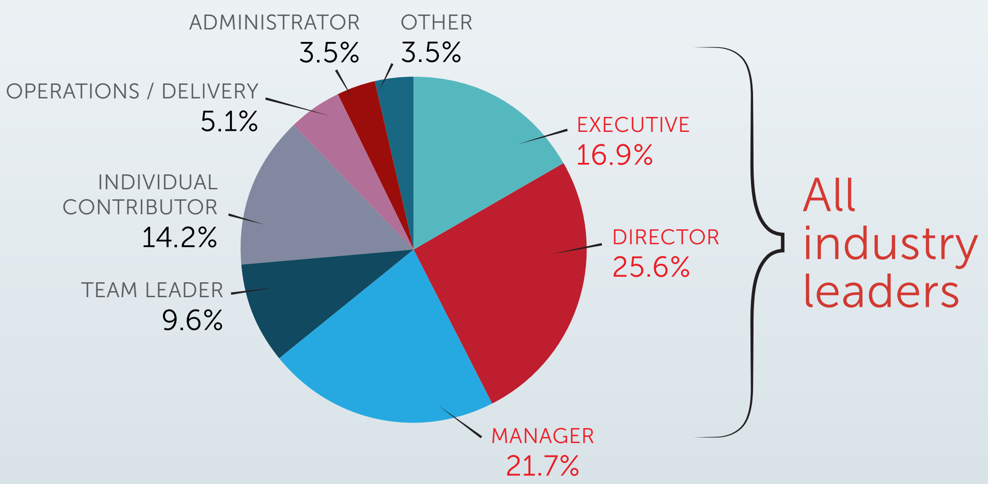
It's interesting to note that, compared to 2015, the number of companies with multi-language, multi-locale sites decreased by about 12 percent, whereas those with multiple language, single locale sites increased by about 8 percent.

SECTION 4

About Our Respondents

This year's survey respondents represented a variety of positions: 26 percent were director-level, 22 percent were manager level and 17 percent were executive-level They also came from a variety of industries such as software and technology (19 percent), advertising / marketing (15 percent) and financial services (11 percent). Regarding influence on technology investment, 37 percent recommended purchases, 26 percent made decisions, 23 percent provided input and 8 percent were authorizers.

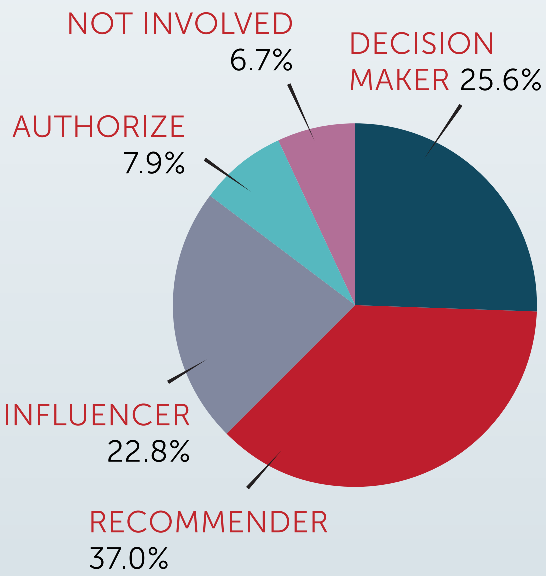
› Which of the following best describes your job function?



› Which of the following best describes your industry?

INDUSTRY	(%)
SOFTWARE / TECHNOLOGY / ASP	18.1
ADVERTISING / MARKETING	15.0
FINANCIAL SERVICES	10.6
EDUCATION	5.5
HEALTHCARE / PHARMACEUTICALS / BIOTECH	5.5
ANALYST / BUSINESS STRATEGY SERVICES	4.3
SERVICES - INTEGRATOR / INTERACTIVE / VAR	4.3
INSURANCE	3.9
NON-PROFIT / CHARITY	3.9
GOVERNMENT - LOCAL / STATE	3.2
CONSUMER PACKAGED GOODS	2.8
GOVERNMENT - FEDERAL / MILITARY	2.4
UTILITIES	2.4
AGRICULTURE / MINING / NATURAL RESOURCES	2.0
LOGISITICS / TRANSPORTATION	2.0
SERVICES - ACCOUNTING / BUSINESS	2.0
REAL ESTATE	2.0
RETAIL / E-COMMERCE	2.0
HOSPITALITY & FOOD SERVICES	1.6
TELECOMMUNICATIONS	1.6
ARCHITECTURE / CONSTRUCTION	1.2
MANUFACTURING / AEROSPACE	1.2
MEDIA / PRESS	1.2
ENTERTAINMENT / BROADCASTING	0.8
LEGAL	0.4
PUBLIC RELATIONS	0.0

› What is your role in purchasing Digital Customer Experience technology decisions?



SECTION 5

Methodology

CMSWire conducted this survey between September 2 and September 30, 2016. Surveys were sent via email and website pop-ups to 30,000 readers who scored highly for interest in customer experience (CX). Partial survey responses were received from 254 participants, with 159 completing all the questions in the survey. That response rate translates to a 99 percent confidence level with an eight percent margin of error that these survey results truly represent the opinions of our digital customer experience audience as a whole.

ABOUT OUR SPONSOR

jahia

Founded in 2002, Jahia Solutions Group (Jahia) is a leading open-source vendor providing digital experience management via a proven User Experience Platform (UXP), which enables true transformation in digital enterprise. Given the need to manage the entire experiential ecosystem for both external customers and internal users to meet today's business needs, Jahia provides the capability to deliver consistent value throughout a unified customer journey.

To learn more about Jahia, tweet them @Jahia or visit them at http://www.jahia.com

ABOUT US

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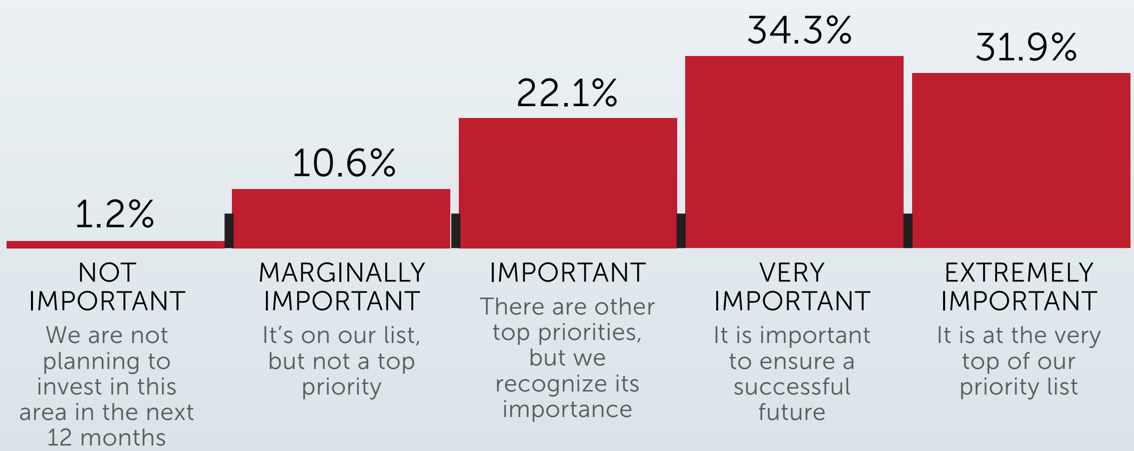
For questions about this survey, tweet us @cmswire or contact us at http://www.cmswire.com/about-us/#contact

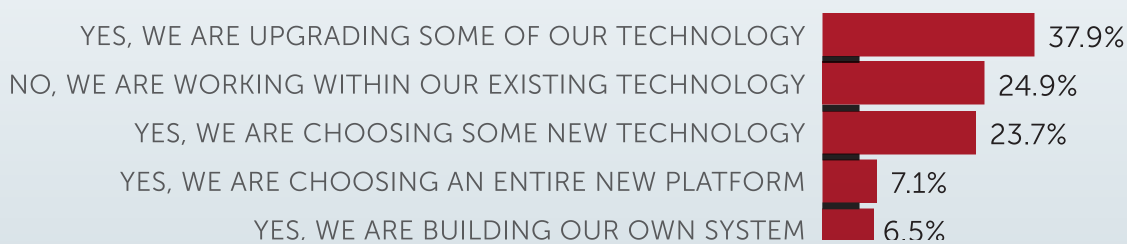
APPENDIX

Data from these graphs are referenced in the report.
Please refer to the corresponding Figure numbers.

› Figure 1: How does digital customer experience rank in terms of your corporate priorities?



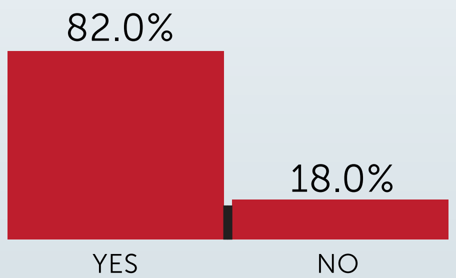
› Figure 2: Is your organization planning to invest in digital customer experience technology in the next 12 months?



APPENDIX

❯ Figure 3. Which statement most accurately describes your organization's place in a purchase cycle of digital customer experience technology?

❯ Figure 4. Is a Web Content Management (CMS) a required component of your digital customer experience ecosystem?



APPENDIX

Figure 5. What statement best describes your organization's mobile publishing?

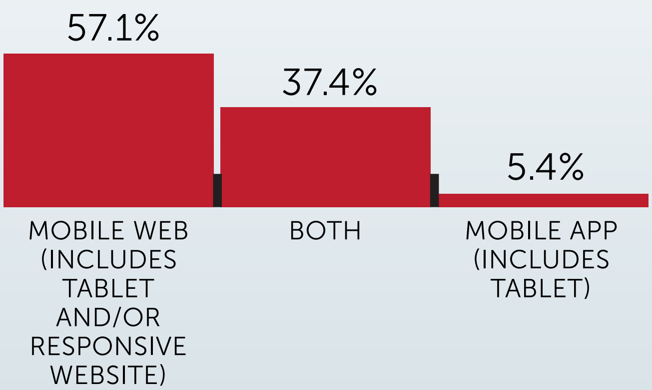


Figure 6. What statement best describes your organization's attitude towards data privacy?