Next-Generation Customer Experience Management

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Omer Minkara, Aly Pinder

Aberdeen *Group*
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The growing use of new technology tools and channels that provide customers with a wealth of information on company products and services has rapidly changed the dynamics of today's buyer-seller relationships. In January and February of 2013, Aberdeen surveyed 192 businesses regarding their customer experience management (CEM) (see sidebar for definition) initiatives. The findings reveal that customers' ability to access a wealth of product and service information before even engaging with a business is rapidly changing the buyer-seller dynamics — a trend that will be reflected with the term "empowered customer" within this research document. While nine out of ten businesses within the recent CEM study cite improving customer satisfaction as a top priority in their 2013 business plans, empowered customers is cited as the top challenge impacting the ability to accomplish this objective.

This Aberdeen Analyst Insight will provide an overview of the top factors driving 2013 customer experience management (CEM / CXM) programs and highlight key business processes and technologies that help organizations address the rapidly changing needs of empowered customers. It will also demonstrate changes in trends reported in Aberdeen's January 2012 *Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight* study to reflect the state-of-the-market in next-generation CEM initiatives (see sidebar for definition).

CEM Requires a (New) Definition

When asked about the reasons companies struggle in executing on their customer management initiatives, 37% of businesses within Aberdeen's recent CEM survey cite "no clear and coherent organizational definition of customer experience management" as a main challenge. To this point, trend analysis from Aberdeen's January 2012 *CEM* study and findings from the 2013 research (175 organizations responding) reveal that the following are main pillars of next-generation customer experience management programs:

- **Multi-channel:** More than half of all businesses participating in the January 2012 *CEM* research used five channels (e.g. web, social media, email, and call center) to listen to and engage their clients. Findings from the 2013 customer experience management study reveal that on average companies use six channels to listen to and engage buyers. This compares to seven channels utilized by the Best-in-Class (see sidebar next page for Best-in-Class definition) as part of their customer management programs — a validation that adopting multi-channel customer engagement programs which

Definition: Customer Experience Management

√ Aberdeen defines CEM as a continuum of cross- and multi-channel business activities that are executed on an enterprise-level to manage business activities across the entire customer lifecycle.

√ Common abbreviations of customer experience management include "CEM" and "CXM." While these terms are generally used interchangeably, for the purposes of this research Aberdeen will use "CEM."

target customers through their preferred channels drives success in CEM initiatives. (Recommendations on selecting and nurturing the right channel mix will be provided in the following sections.)

- **Enterprise-level:** Customer communications typically span multiple business units (e.g. sales, marketing, customer service, and contact center) in many enterprises. Indeed, Figure 1 below illustrates the role of different functions taking leadership of CEM initiatives. Findings reveal that there is no clear owner of CEM programs across businesses. This is problematic, as determining an owner of customer experience management programs is a crucial activity that helps companies establish a common definition of the goals related to their customer management initiatives, and align the activities of multiple stakeholders in order to accomplish these objectives. Indeed, findings from the January 2012 _CEM_ study indicate that while all Best-in-Class companies have an executive-level champion for their efforts, 14% of their peers lack such a champion. It's important that the owners of these initiatives come from multiple functions based on the business model of each company. As such, the leadership role in customer experience management programs is not restricted to a specific business function but rather should be held by an individual or team that can align enterprise-level customer management activities.

Figure 1: CEM Program Ownership is Dispersed Across the Organization

Percent of respondents, n=192
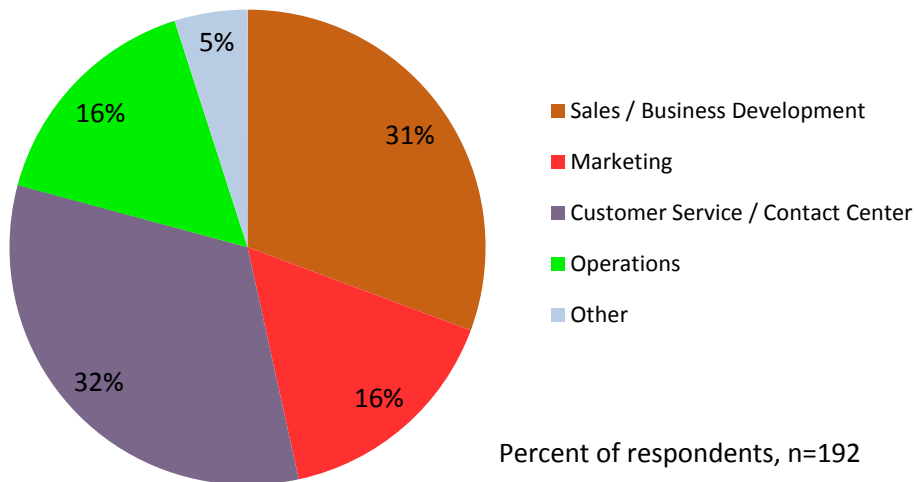
Source: Aberdeen Group, February 2013

- **Established Frameworks to Ensure Consistency:** Delivering superior customer experience is not solely related to producing cutting-edge technology products or providing the lowest cost. It requires the adoption of a series of activities which will be highlighted in detail within this report. One of these activities is ensuring consistency in customer communications. As noted above,

customers engage with numerous organizational stakeholders during a regular buying cycle. Managing each touch-point effectively in order to delight today's empowered customer requires businesses to ensure consistency within each communication — an activity that challenges exactly half (50%) of the 192 businesses participating in Aberdeen's recent CEM survey.

Personalization is another key competency that defines next-generation CEM programs. It is a key strategy that helps Best-in-Class firms differentiate themselves from their peers, and will be highlighted in depth within the next section. Now that we've defined the core aspects of next-generation CEM programs, let's look at the primary factors driving companies to invest in these initiatives.

Business Framework of Next-Generation CEM

Companies have numerous goals that impact their business plans. Delivering shareholder value through an increase in company revenue and profitability is often among the top objectives for many firms. Table 1 below illustrates numerous factors that drive companies to establish and nurture a CEM initiative. *(The results demonstrated in the below table are broken down by Business-to-Business (B2B) and Business-to-Consumer (B2C) to demonstrate the role of CEM across different industries.)*

Table 1: Factors Driving CEM Programs in B2B vs. B2C Firms

Top Goals Driving CEM Investment	B2B Companies	B2C Companies
Improve customer satisfaction	92%	89%
Retain existing customers	90%	88%
Increase top-line revenue	83%	82%
Increase brand awareness and loyalty	73%	75%
Increase number of net-new customers	72%	68%
Improve employee efficiency in customer interactions	71%	77%
Lower cost of customer turnover	59%	71%

Source: Aberdeen Group, February 2013

As depicted in Table 1, there are multiple goals that drive companies to invest in a CEM program. These range from financial gains such as lowering cost of customer churn to organizational goals such as improving employee engagement and productivity or optimizing the results of customer engagement activity. The wide range of goals illustrated above validates that businesses looking to achieve a wide array of results from their customer management programs. The common denominator of these efforts indicated by 91% of all businesses (B2B Companies: 92% vs. B2C Companies: 89%) is

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driving value or satisfaction to the most important organizational stakeholder: customers.

In addition to improving customer satisfaction, 83% of B2B and 82% of B2C companies stated that they invest in CEM programs to grow company revenue and improve the financial health of their business. To this point, Aberdeen's March 2012 *The ROI of Best-in-Class CEM Programs* study shows that top performing businesses enjoy an average of $316 million in incremental annual revenue as a result of their CEM initiatives, compared to their lower-performing counterparts (see sidebar).

Figure 2 below demonstrates the roadblocks companies face in their pursuit of the above mentioned business objectives.

Figure 2: Top Challenges Impacting CEM Program Dynamics

Percent of respondents, n=192
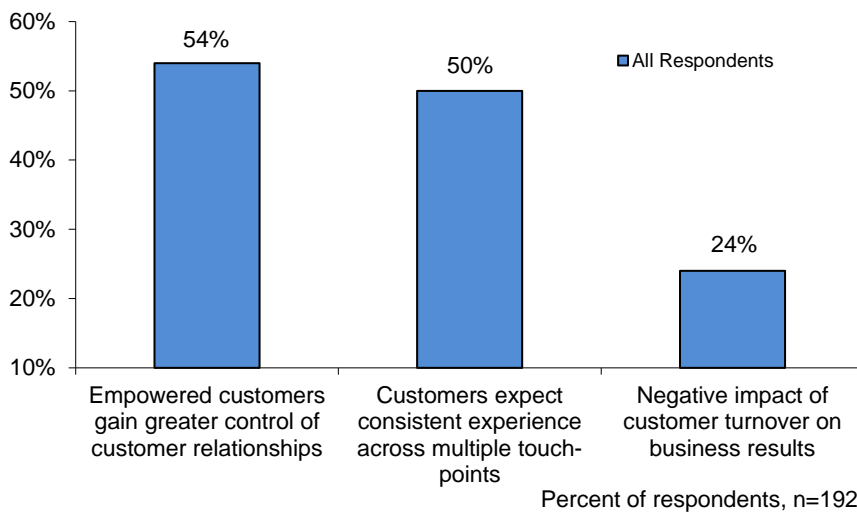
Source: Aberdeen Group, February 2013

The impact of empowered customers has been noted several times t. To put this trend into perspective, keeping track of rapidly changing customer expectations was one of the top two pressures organizations noted in the January 2012 *CEM* research. This recent Aberdeen survey on 2013 CEM trends and best practices demonstrates that the impact of empowered customers is the top pressure challenging 54% of businesses. This reflects a 46% year-over-year increase (2012: 37% vs. 2013: 54%) in the percentage of companies struggling with the effects of empowered customers in 2012 versus 2013. As such, it's imperative that businesses become laser-focused on regularly tracking and understanding the needs of their buyers, and meet them with personalized products and services in order to delight these empowered buyers.

Let's take a look at how the empowered customer challenge might apply to businesses in both B2B and B2C. In a B2B setting, a purchasing manager of an industrial manufacturing company can use their LinkedIn network or various industry social networks to garner intelligence on the pricing and

peer reviews of a material the company is looking to purchase. The resulting information would be factored into the purchase decision process — a dynamic that the potential vendor doesn't directly control. In a B2C setting, a customer can check out consumer reviews of certain products and services to determine if their peers have been satisfied and learn about their overall experience. The insights gleaned through this process would influence the decisioning criteria of the potential buyer — again, a process that the potential vendor can't directly control. This process where buyers are indirectly engaged with company products and services can be termed the "hidden sales cycle" or "hidden service cycle" as it alters the dynamics or flow of traditional selling and service activities.

In order to improve the likelihood of empowered customers seeing positive reviews of company products and services, businesses should leverage their loyal customers to share success stories within social media portals. Furthermore, regularly monitoring social media traffic as they pertain to company products and services allows businesses to determine any potential negative feedback in a timely manner, and taking appropriate actions to address the needs of unsatisfied buyers would help companies turn negative social commentary into positive. In the "Technology Enablers" section of this document, we'll observe how social media monitoring tools can help businesses establish and nurture such activities.

While the empowered customer trend poses challenges for businesses, companies that excel in customer satisfaction use it to their advantage. They focus on capturing *and* utilizing customer behavioral and feedback information to tailor the message and activity across each customer touch-point. In fact, a case study featured in Aberdeen's June 2012 *Customer Analytics: Leveraging Big Customer Data to Achieve Big Results* report shows that Liverpool Victoria, a UK-based insurance, investments, and retirement planning services provider has enjoyed 10% year-over-year revenue growth as a result of its customized customer engagement activities.

Best-in-Class CEM Results

Amid the above mentioned roadblocks, Best-in-Class companies differentiate themselves from their Industry Average and Laggard counterparts. Their performance results across key measures (see sidebar for definitions) that indicate excellence in customer management programs is demonstrated in Table 2 below.

Table 2: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	▪ 88% customer retention rate ▪ 23.0% average year-over-year growth in annual company revenue ▪ 16.3% average year-over-year improvement (decrease) in response time to customer requests

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Definition of Maturity Class	Mean Class Performance
Industry Average: Middle 50% of aggregate performance scorers	▪ 66% customer retention rate ▪ 4.8% average year-over-year growth in annual company revenue ▪ 6.7% average year-over-year improvement (decrease) in response time to customer requests
Laggard: Bottom 30% of aggregate performance scorers	▪ 35% customer retention rate ▪ 4.6% average year-over-year *decline* in annual company revenue ▪ 2.2% average year-over-year worsening (*increase*) in response time to customer requests

Source: Aberdeen Group, February 2013

The results noted above are enabled through a series of activities and technologies that help Best-in-Class firms distinguish themselves in the eyes of their customers. The next section demonstrates these differentiating factors that enable companies to optimize the results of their CEM efforts.

Building Blocks of Best-in-Class CEM Programs

Once companies determine the goals and expectations tied to their CEM initiative, the next step is to establish key strategies that accomplish these objectives. To this point, the sidebar illustrates several strategies that the Best-in-Class deploy to enjoy the results noted above. Contextualization (sending the right message to the right customer through the right channel) is a strategy that

> Contextualization *(sending the right message to the right customer through the right channel)* is one of the strategies that differentiate top performing businesses.

differentiates top performing businesses — one that ranks as among the top three strategies deployed by Best-in-Class CEM users. Data shows that companies utilizing this strategy enjoy 5.9% year-over-year increase in customer satisfaction, compared to a 3.1% increase by those that do not adopt this strategy. In addition to its benefits in improving customer satisfaction, personalizing customer engagement activities through client data also allows businesses to better position the right products or services to each buyer with the ultimate benefit of unearthing a greater share of the customer's wallet.

Key Business Processes and Technologies

Research shows that top performers deploy a variety of processes and technologies in order to supporting executing on the strategies noted thus far (Table 3). Details on the definition of each category are illustrated within the sidebar on the next page.

Best-in-Class CEM Strategies

Research shows Best-in-Class adoption of the following strategies:

√ Invest in CEM-related technology tools and solutions: 38%

√ Create a unified view of customer data across the organization: 35%

√ Personalize product and service offerings based on customer data: 31%

√ Establish a formal CEM program within the business plan: 31%

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Table 3: The Competitive Framework

	Best-in-Class	Average	Laggards
Process	Leverage service interactions as sales opportunities, i.e. cross- or up-sell:		
	74%	44%	40%
	Process to distinguish the most profitable customers from less profitable ones:		
	62%	44%	32%
Organization	Customer-facing staff empowered with customer communications material templates to reduce content management costs and reliance on IT:		
	69%	54%	39%
	Employee collaboration is enabled and encouraged to execute a consistent customer experience program:		
	65%	40%	28%
Knowledge Management	Centralized repository of product information available to all customer facing roles:		
	69%	40%	27%
	Voice of the customer is used to create and update company products and services based on changing customer needs:		
	69%	32%	17%
Enabling Technologies	▪ 77% Customer Relationship Management (CRM) ▪ 56% Data quality / integration ▪ 54% Social media monitoring ▪ 46% Enterprise search ▪ 42% Customer analytics	▪ 59% Customer Relationship Management (CRM) ▪ 44% Data quality / integration ▪ 39% Social media monitoring ▪ 30% Enterprise search ▪ 27% Customer analytics	▪ 39% Customer Relationship Management (CRM) ▪ 35% Data quality / integration ▪ 28% Social media monitoring ▪ 3% Enterprise search ▪ 17% Customer analytics
Performance Management	Ability to report customer engagement performance results by role:		
	59%	37%	19%

Source: Aberdeen Group, February 2013

Process

Many businesses understand the impact that delighting their clients has on growing their wallet share and increasing profitability. Customer service activities are a key enabler in accomplishing this objective. In addition to their focus on customer satisfaction, Best-in-Class firms **utilize service activities to generate revenue** rather than simply incurring costs to

address customer needs. Seventy-four percent (74%) of top performers have a formal process to leverage service interactions to cross- and up-sell, compared to 43% of all other enterprises. This indicates that these businesses convert their service activities from being a cost-center into a revenue center that helps businesses improve their financial health through cross- and up-sell activities as part of customer service programs.

Another key process that top performers utilize is **segmenting the customer base by profitability** — an activity deployed 59% more widely (62% vs. 39%) by Best-in-Class companies, compared to other businesses. This helps companies assess the value of serving a customer in comparison to their relevant value for the business. Companies can use customer analytics technology tools in order to glean these insights such as preferred channels of engagement for different customer segments as well as profit margin. Particularly in industries such as financial services, this capability is a key differentiator as it helps organizations with visibility into their most profitable clients. This insight can be utilized to serve high-value or high-profit clients with personalized offers to continuously increase their value. Furthermore, by determining lower profitability buyers, companies can launch targeted messages and campaigns to improve customer profitability.

Organization

IT is a key organizational stakeholder helping organizations optimize their customer information management activities. However, over-reliance on the skills and time of IT staff has an opportunity cost for businesses. Considering the scarcity of IT resources, utilizing that staff in activities that can be automated and controlled by line-of-business executives (e.g. sales and marketing) reduces the time IT can use for innovative projects that would deliver incremental value to the business. To address this risk, data shows top performing CEM users **provide customer-facing staff with templates of communications material in order to reduce reliance on IT**. In addition to helping businesses improve their utilization of IT resources, another benefit of this capability is in regards to content management. The time and processes needed to create and review content consume organizational resources, which translates into additional costs. Providing relevant staff with templates of customer communications material helps businesses reduce the need to track use of content, and as such decreases related content management costs.

The employee base is one of the most essential organizational ingredients of any successful CEM program. The role of employee engagement and collaboration is often overlooked by businesses, in lieu of activities that appear to have a more direct impact to profitability and operational efficiency. However, top performing companies have a keen eye on **ensuring that the employee experience is in line with and supportive of the customer experience program results**. In fact, 71% of the Best-in-Class indicate that the experience of their employees reflects their customer experience values. Utilizing tools such as employee engagement surveys helps companies regularly monitor employee sentiment
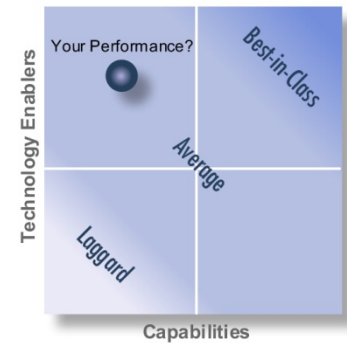
and engagement, and take appropriate actions when needed. As such they enjoy 11% greater employee satisfaction (60% vs. 54%), compared to companies without employee engagement programs. Aberdeen's August 2012 _The Rules of Employee Engagement: Communicating, Collaborating and Aligning with the Business_ study provides further insight into best practices that companies can use to implement employee engagement as a strategic lever of their CEM programs.

Knowledge Management

Consider a scenario where a sales rep is pitching a product to a prospect and receives several questions regarding technical specifications. If the sales rep is not knowledgeable about the technical specifications, it might hinder the probability of closing business with the potential buyer. Companies that **empower their staff with crucial product and service information stored in a centralized repository** are less likely to face this challenge as their staff can query this information source to address customer requests in a timely and efficient manner. In addition to its impact on handling customer requests effectively, this also helps companies improve their overall business results. Top performing CEM users are 97% more likely (69% vs. 35%) than their peers to empower their knowledge workers with such information repositories. Figure 3 below demonstrates the current performance of companies deploying a centralized product or service repository in key measures, including customer retention.

Figure 3: Knowledge Management Activities Enhance Customer Retention

Percent of respondents, n=192
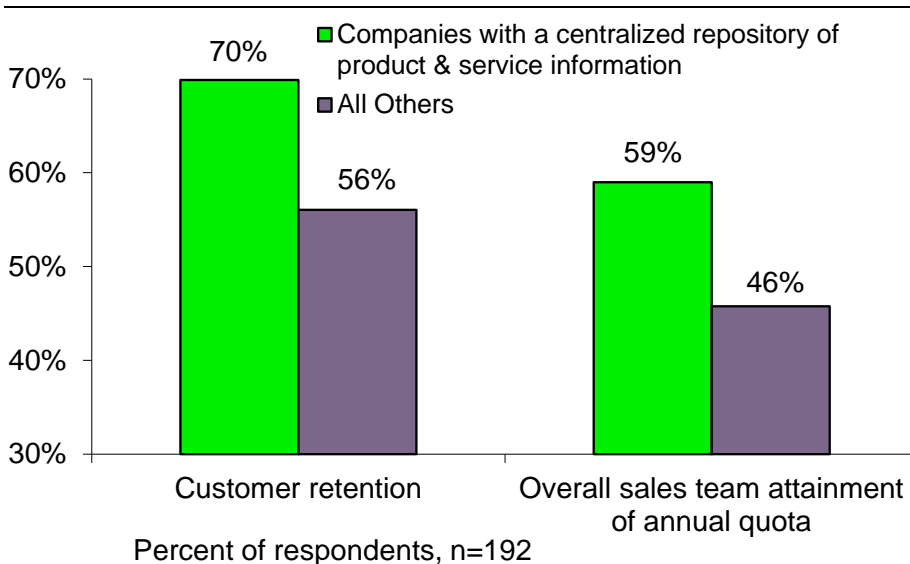
Source: Aberdeen Group, February 2013

Internal knowledge is not the sole differentiator that helps Best-in-Class firms differentiate themselves from their lower performing counterparts. Customer feedback data is another crucial information source that, when

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utilized effectively, drives substantial performance gains. Indeed, Aberdeen's April 2012 *Customer Feedback Management: Leveraging the Voice of the Customer to Amplify Business Results* study shows that businesses **leveraging customer insights captured from multiple channels to develop new products and services** improve customer satisfaction by 5.1% year-over-year, compared to 1.5% by those that lack this activity. While 69% of Best-in-Class businesses currently use customer-centric product development activities as a part of their CEM initiatives, only 32% of Industry Average and 17% of Laggard firms do so.

> Customer feedback data is a crucial information source that, when utilized effectively, drives substantial performance gains.

Technology Enablers

Customer data is the back-bone of Best-in-Class CEM programs. As noted above, personalizing customer engagement activities based on customer behavioral and feedback data is one of the top strategies that Best-in-Class firms use to differentiate themselves. Technology is an essential ingredient for companies to capture, store, and utilize customer intelligence. Research reveals that top-performing businesses utilize several technology tools that enable them to improve their customer data capture, storage, and analysis activities. These include the following:

- **CRM:** As noted on Page 6, creating a unified view of customer data accessible to organizational stakeholders is a key strategy deployed by Best-in-Class organizations. CRM helps businesses accomplish a "360-degree view of customers" by providing a single repository that multiple stakeholders can use to access and update customer information.

- **Data quality and integration tools:** These tools help businesses scrub customer data captured across multiple channels (e.g. social media, web, and email). Research shows that companies using this technology enjoy 41% greater satisfaction (52% vs. 37%) from their ability to use customer data, compared to those that do not use this technology.

- **Enterprise search:** This technology allows businesses to empower their staff with the ability to query relevant information stored within the company database without manually navigating each system. It helps companies improve employee productivity by reducing the time spent looking for relevant information, and more time actually doing their jobs. Indeed, companies using this technology enjoy a 4.1% *decrease* in their average customer care costs year-over-year, compared to a 1.2% *increase* by those that are not deploying it. Reducing the time employees (i.e. contact center agents) spend looking for relevant information helps businesses improve their employee utilization and decrease unnecessary costs associated with sub-par employee utilization.

> "A business is only as good as its data; if data quality is poor, companies wouldn't be able to achieve a true 360-degree view of their customers."
>
> ~ Customer Operations Strategy Manager, Leading Telecommunications Services

- **Customer analytics:** This technology refers to utilizing business intelligence tools to analyze customer data. It helps organizations interpret existing buyer data to determine trends and correlations such as purchase patterns by specific customer segments. As seen earlier, customers expect a personal, consistent experience across channels and thus it is crucial that the enterprise have a clear picture of the customer at all times via all touch points.

- **Social media monitoring:** Best-in-Class firms have 93% wider adoption (54% vs. 28%) of social media monitoring tools, compared to Laggard businesses. Social media portals used by companies include company-owned customer communities where buyers can engage with one another, as well as the business and third-party social media sites such Facebook, LinkedIn, and Twitter not under direct control of businesses. In the latter case, companies can develop corporate accounts (i.e. pages) where they can use a third-party social media application to manage buyer interactions or simply monitor social media conversations as it pertains to company products and services as well as competitors and broader industry-related conversations. Best-in-Class firms differentiate their social customer engagement programs with a proactive approach of monitoring social conversations on a regular basis to capture customer feedback and behavioral data in relation to specific filters. These filters can include company products and services as well as any specific term that the business would like to monitor. Companies using **social media monitoring tools** to track customer sentiment and activity achieve a 16.1% year-over-year increase in the number of positive mentions across social media channels, compared to a 2.3% *decrease* by non-users — a direct testament to the value of this technology in driving social "buzz" (Figure 4). Companies using social media monitoring tools are more likely to have better visibility into customer needs and feedback shared across social media portals. By deploying a process to monitor *and* respond, they improve customer satisfaction which in turn drives social "buzz."

Figure 4: Social Media Monitoring Tools Enhance Social "Buzz"
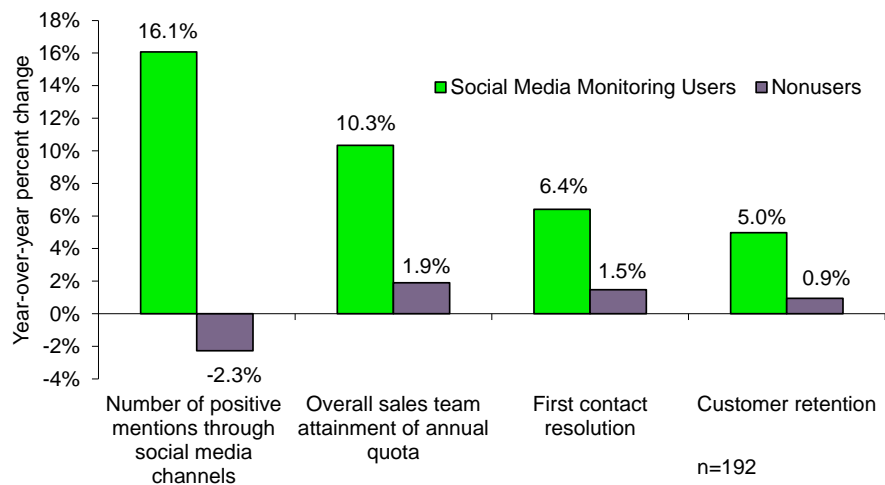
Source: Aberdeen Group, February 2013

Performance Management

Implementing the activities and technology tools listed thus far are key enablers that form the foundation of Best-in-Class CEM programs. However, without tracking and measuring which activities work in satisfying customers and improving business results, businesses would be blindsided when running their CEM initiatives. To overcome this roadblock, Best-in-Class firms employ a keen focus on **empowering each stakeholder with tailored views of customer management program results**. Top performing organizations have 90% greater adoption (59% vs. 31%) of role-based reporting systems, compared to their peers. This technology allows companies to provide executives with a summary view of customer interaction results, while other staff can see a more detailed view of these activities as it pertains to their role. For example, a Chief Marketing Officer may have an overview of multiple marketing campaign results within a single view to understand overall marketing effectiveness, while a marketing staff member can drill-down into the details of individual campaigns executed across multiple channels. This capability helps companies determine what works in satisfying clients, replicate successful activities, and avoid ones that are ineffective.

Case Study — Customer Experience Comes First

To put the above findings on best practices into perspective, let's now see how a leading telecommunications services provider in Australia, implemented CEM as a part of its business activities. The company has used customer experience management as a part of its business activities for more than five years. Until last year, the focus of this program was driving efficiency gains within customer interactions. Over the past year, CEM has evolved to become the core ingredient driving all business activities within the organization. "CEM is really taking the center stage in our business

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activities; all our efforts today are focused on reducing customer effort to do the business with our firm, while continuously driving better experience," says the Customer Operations Strategy Manager for the company.

Data is the main ingredient of the company's customer management efforts. In order to develop a coordinated approach to managing client interactions in a consistent manner, it utilizes real-time dynamic decisioning tools that help multiple organizational stakeholders with timely visibility into changing customer needs and real-time guidance to address them. The company stores customer feedback and behavioral data within its in-house CRM system, and has a keen focus on ensuring the quality of information within this system. To this point, the Customer Operations Strategy Manager comments; "A business is only as good as its data; if data quality is poor, companies wouldn't be able to achieve a true 360-degree view of their customers."

Another set of key CEM components within the business are analytical tools and processes. The company's real-time dynamic decisioning tool helps capture customer insights across multiple channels and analyze it rapidly to empower staff with mission-critical information needed to do their jobs better. In order to ensure optimal results from its use of business intelligence (BI) tools, the company focuses on streamlining its reporting activities that enable each stakeholder with insights based on their role. The Customer Operations Strategy Manager says; "Using the BI tools appropriately paves the way for success."

The organization uses numerous touch-points to engage its clients, one of which is the call center. For a long time its contact center activities have focused on controlling the increase in the volume of inbound calls. With its enhanced organizational focus on CEM, the company utilizes customer satisfaction associated with call center interactions as the primary measure to assess it contact center activity results. "We've recently implemented an organization-wide Net Promoter Score (NPS) initiative. Similar to our other activities, this forms the basis of our contact center efforts," explains the Customer Operations Strategy Manager.

Even though the business has transformed its CEM initiatives into a truly customer-centric mindset over the past year, the impact has been immediately clear. It has seen a 10-point increase in its NPS score and revenue growth expected with cross- and up-sell efforts within the contact center has significantly exceeded expectations. In addition to revenue gains, the company also enjoyed increased productivity resulting from its ability to empower staff with real-time customer information. The Customer Operations Strategy Manager adds; "With established organizational processes, we expect further gains in our revenue results associated with our CEM initiatives in 2013."

Recommendations

Whether a company is looking to improve its performance from Laggard to Industry Average, Industry Average to Best-in-Class, or to maintain its Best-in-Class status, the following actions will help spur the necessary changes:

- **Adopt a data-driven approach to manage cross-channel customer interactions.** Data shows that nearly two-thirds (65%) of all businesses with an existing CEM program use at least six channels to listen to or engage buyers. Yet, exactly half of all CEM users are challenged with ensuring consistency in customer messages across multiple channels. This is primarily from a lack of business processes and technology tools that enable the tracking of customer interactions across each touch-point. Indeed, research reveals that only 26% of businesses currently have a formalized process to utilize customer data as a core component of their cross-channel customer communications. Deploying a data-driven approach to incorporate customer intelligence within each buyer interaction will help businesses reduce the likelihood of sending conflicting messages to customers, and as a result increase customer satisfaction. Technology tools such as CRM are key enablers in helping multiple organizational stakeholders create a unified view of customer messages delivered across each touch-point with the business.

- **Develop a collaborative relationship between IT and customer-facing functions.** The role of the IT team is often overlooked in many CEM programs. Businesses typically interpret CEM in the confines of sales, marketing, and customer service or contact center programs. As experts in data management, the IT team has plenty of expertise to offer in streamlining customer management activities. Companies that develop a collaborative relationship where IT and other line-of-business executives meet on a monthly basis to optimize customer information management processes are 22% more likely (50% vs. 41%) to be satisfied with the quality of their CEM data, compared to those that lack such collaboration. Furthermore, they enjoy 67% greater (12.5% vs. 7.5%) annual growth in company revenue compared to their peers.

- **Review the effectiveness of your customer interaction channel mix at least on a monthly basis.** With the increase in channels leveraged to execute CEM programs, it is critical that organizations ensure the effectiveness of each channel is monitored at least on a monthly basis. This helps companies determine the most effective channels in addressing customer needs across each segment, and allocate resources appropriately. These reviews can be performed by analyzing the operational and financial (cost and revenue) results associated with each channel. Companies can use business intelligence tools to conduct tailored analysis on the contribution and costs associated with each channel. By fine-tuning their channel-mix, organizations will enjoy a reduction in

unnecessary spend and optimize their multi-channel CEM activity results, ultimately leading to improved customer satisfaction and increased company revenue.

It's important to note that developing a coherent and enterprise-level CEM initiative will help companies maximize the results achieved as a result of the above recommendations. By its nature, CEM is an initiative that involves multiple organizational stakeholders and as such these activities should be implemented in a consistent manner across the entire enterprise. To accomplish this goal, we recommend businesses assign an organizational owner (individual or team) to coordinate and manage these activities.

For more information on Customer Experience Management or other research topics, please visit www.aberdeen.com.

Related Research
Enhancing the Customer Experience through CIO and CMO Collaboration; January 2013	*Social Collaboration Powers Top-Notch Customer Engagement Programs*; February 2012
Customer Analytics: Leveraging Big Customer Data to Achieve Big Results; June 2012	*Social Compliance: Protect Brand Equity and Ensure Governance*; February 2012
Customer Feedback Management: Leveraging the Voice of the Customer to Amplify Business Results; April 2012	*Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight*; January 2012
The ROI of Best-in-Class CEM Programs; March 2012	*Web Analytics: Marketing Beyond Online Customer Data*; January 2012
Multi-Channel Digital Marketing: Addressing the Why's and How's to Achieve Success in the New Era of Customer Engagement; February 2012	*Customer Relevancy Drives Precision Marketing in the Mobile Channel*; January 2012

Lead Author: Omer Minkara, Research Analyst, Contact Center and Customer Experience Management, (omer.minkara@aberdeen.com), LinkedIn, Twitter

Contributing Author: Aly Pinder, Senior Research Associate, Customer Experience & Service Management, (aly.pinder@aberdeen.com), LinkedIn, Twitter