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UK EDITION

CLOSING THE CX GAP: CUSTOMER EXPERIENCE TRENDS REPORT 2019

Insights from UK marketers
and consumers on open source
innovation and what makes or
breaks the customer experience

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EXECUTIVE SUMMARY

Top-tier digital experiences from brands like Google, Amazon, and Apple have reshaped UK consumer expectations of the customer experience (CX).

Today every interaction, from social media engagement to online purchases, offers a chance to deliver winning experiences that build customer loyalty and brand reputation.

Yet many brands are struggling to decode customer expectations, personalise at scale, and create an unforgettable CX. This is true globally – but strongly underpins the experiences of marketers and consumers in the United Kingdom.

A disconnect between customer expectations and the reality of the CX today's brands and marketers deliver further complicates the picture.

In order to understand the CX landscape that brands operate in today, we surveyed over 5,000 consumers and 500 marketers marketers globally.

This original research uncovered gaps in today's CX, as well as highlighted critical strategies that help brands stand out and foster satisfaction and trust at every stage of the buying journey. In this piece, we take a deep dive into the specific insights gathered from UK respondents, which included 1,000 consumers and 100 marketers.

KEY INSIGHTS TO OBSERVE:

- There's a strong disconnect between how marketers think they're doing, and how UK consumers perceive brand customer experiences.

- UK audiences want personalisation and convenience, but they're deeply concerned about how their personal data is collected and used.

- Marketers are ready to invest in technology that can improve their campaigns and enable them to provide a holistic customer experience.

As we explore these UK research findings and perspectives, we'll recommend ways that brands can overcome CX barriers and stand out in the market by honing in on three areas: **people, technology, and data.**

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1. CONFRONTING THE UK CUSTOMER EXPERIENCE PERFORMANCE GAP HEAD-ON

Marketers and consumers in the UK agree on one key idea: The CX that brands deliver often misses the mark, and brands that fail may not get a second chance to get it right.

Of the consumers who were surveyed, 92 percent expect a convenient experience when they engage with brands online. And today's customers hold brands accountable.

Seventy-one percent will take their business to a competitor after a poor online experience.

With consumers' high expectations, more than half of those surveyed said they felt that the brands they interact with fail to offer a good experience. And when asked to recall the last time a brand experience blew them away, 66 percent of them couldn't.
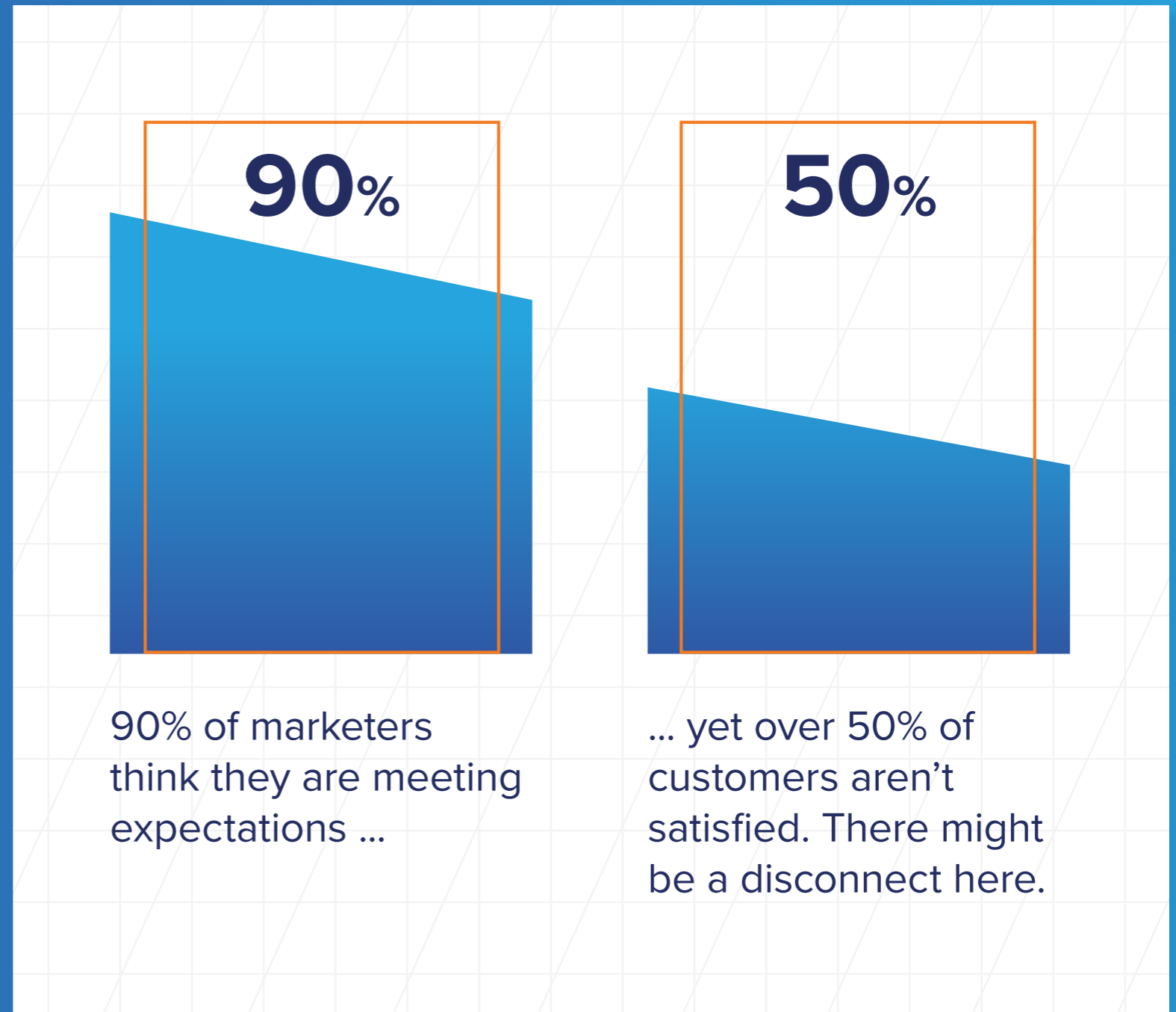
Consider that again:

66%

of UK consumers couldn't think of a single brand that exceeded their expectations.

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Digging deeper, we found there's an interesting disconnect taking shape between the way marketers and consumers view CX. Nearly 9 in 10 marketers recognise that most brands are behind the times in both online and offline customer interactions.

What's more, marketers are harsh critics: 4 in 5 marketers in the UK said that they abandon brands for the competition after poor online interactions.

Yet, despite their awareness of the state of the market, these same marketers are failing to identify the breakdown in their own brand's CX.

Almost 9 in 10 of the marketers surveyed were confident that they are meeting customer expectations. Contrasted with the fact that over half of customers are dissatisfied, there's clearly a CX performance gap.

90%

50%

90% of marketers think they are meeting expectations ...

... yet over 50% of customers aren't satisfied. There might be a disconnect here.

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For UK brands, this raises two critical questions: How well do you really know your customers, and is your CX as good as you thought?

Nearly

9 in 10

marketers are confident in their brand's CX.

Yet

half

of UK consumers felt that the brands they interact with fail to offer a good experience

And

66%

of UK consumers couldn't recall the last time a brand exceeded their expectations.

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2. BUILD A STRONG CX WITH USER-FRIENDLY TECHNOLOGY

Brands are turning to technology tools, such as AI and chatbots, to deliver a better CX.

While marketers are eager to explore the potential for technology in optimising their customer experience, it's important to make sure that it's what consumers actually want.

Nearly all UK marketers agree: technology is great, but brands also require a human touch to deliver exceptional customer experiences.

On one level, customers are optimistic about the possibilities for technology: 88 percent of UK consumers said that technology should improve their online experiences with brands, and 85 percent agree that technology should improve brand experiences overall.

However, the types of technology matter. Less than half of UK consumers — just 48 percent — look forward to AI-driven brand interactions, for example.

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A significant number of customers in the UK are frustrated by certain aspects of the CX, and brands may need to focus on getting those right before deploying more complex technologies.

In our research, 46 percent of UK consumers who interact with brands at least weekly encountered slow or glitchy websites during big events, such as Black Friday or holiday sales.

At the same time, over two-thirds of customers were frustrated by the fact that automated processes felt impersonal — and 75 percent felt that they're treated as a generic customer.

Improving the flow of online services and building personalisation solutions based on customer data is an important part of a winning CX.

While technology has the capabilities to improve the speed, convenience, and personalisation brands offer

to customers, UK marketers often struggle to capture those wins. Almost three-quarters of the marketers we surveyed said that the speed they can bring new customer experiences to market is too slow.

What's at the root of this challenge? For 78 percent of marketers, the difficulties begin simply at the level of partnering with IT to make customer experiences a reality. Meanwhile, 71 percent of marketers feel that the technologies they're dealing with are too complex.

Getting your digital experience right is critical.

70%

of UK consumers will abandon brands after a poor online experience.

Failing to invest in CX technology has major consequences: 3/4 of UK consumers are loyal to certain brands, but abandon them for competitors after a bad customer experience.

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For many, communication and connectivity between customer experience solutions adds another layer of concern.

A closer look at the numbers reveals a key driver: 51 percent of UK marketers are dealing with 11 or more technologies in their CX portfolio. That's a lot of vendors to coordinate, even when things are going well.

Open source innovation is one solution on the horizon that offers potential relief. The vast majority of marketers – 94 percent – are eager to take an open source approach to their customer experience technologies.

As UK marketers explore CX technology solutions, it's important to align investments with what customers really want – and make sure that their customer experience platforms are offering the personalisation, convenience, and connectivity today's audiences demand.
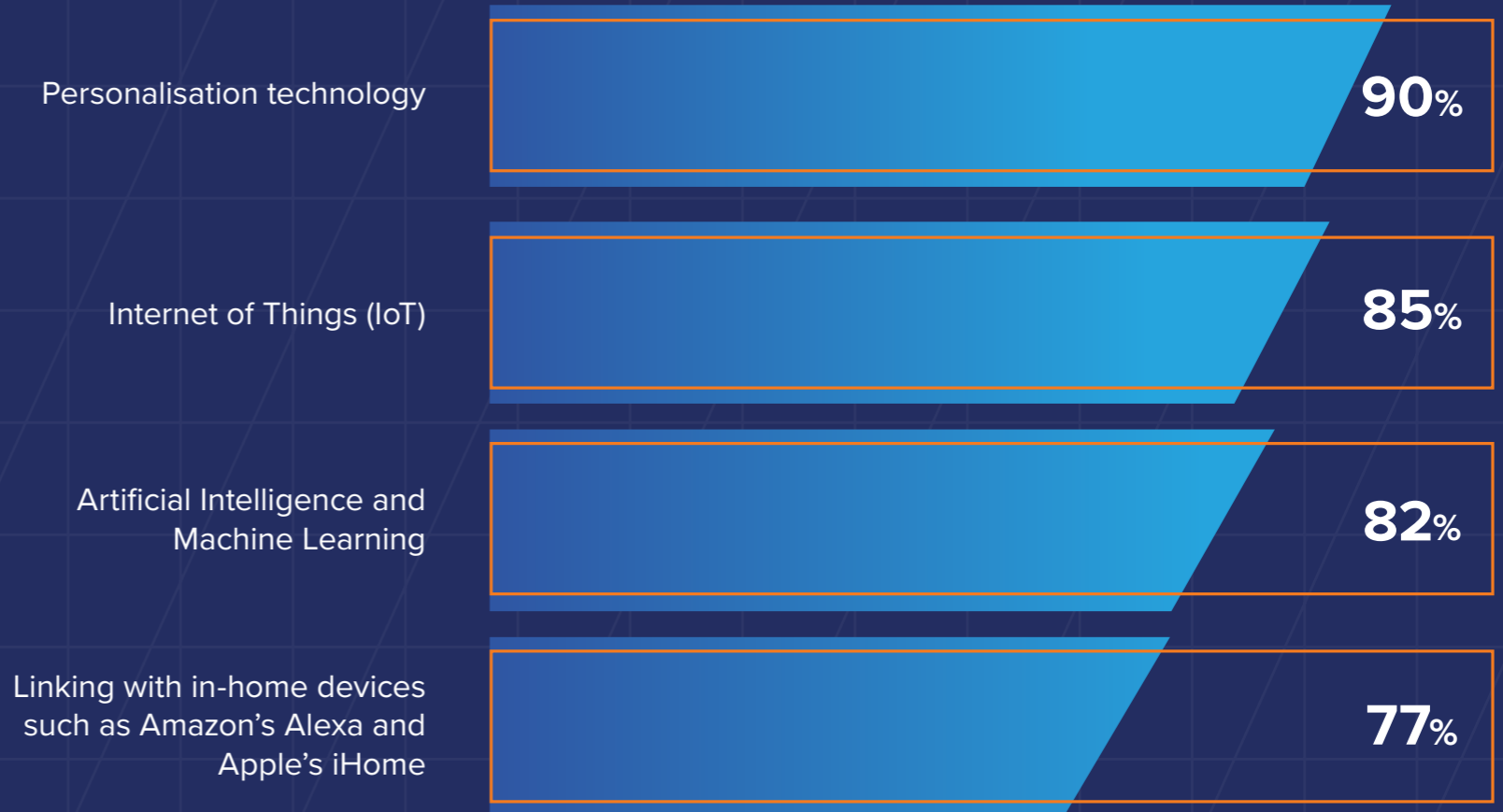
84%

want their technologies to work together, but can't make it work.

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UK AND FUTURE TECH

In the next 12 months, UK brands are investing in the following technologies:

> **"In a transforming world where disintermediation affects consumer behaviour, brands would be advised to adapt to the updated version of the Customer Journey – to deliver a better, frictionless Customer Experience."**
>
> – Antonio Grasso, Digital Transformation Advisor & CEO, DBI

| Technology	%
Personalisation technology	90%
Internet of Things (IoT)	85%
Artificial Intelligence and Machine Learning	82%
Linking with in-home devices such as Amazon's Alexa and Apple's iHome	77%

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3. MAKE DATA YOUR SECRET WEAPON: USE TRANSPARENCY TO BUILD TRUST

A successful CX is a personalised CX, and a strong data strategy is the cornerstone of making that happen. Marketers know this is a critical priority. In fact, 87 percent highlight the need for better personalisation in their organisations.

EMBRACE PERSONALISATION TO REACH UK AUDIENCES

Investments in effective customer data management and better personalisation are critical to reaching UK customers:
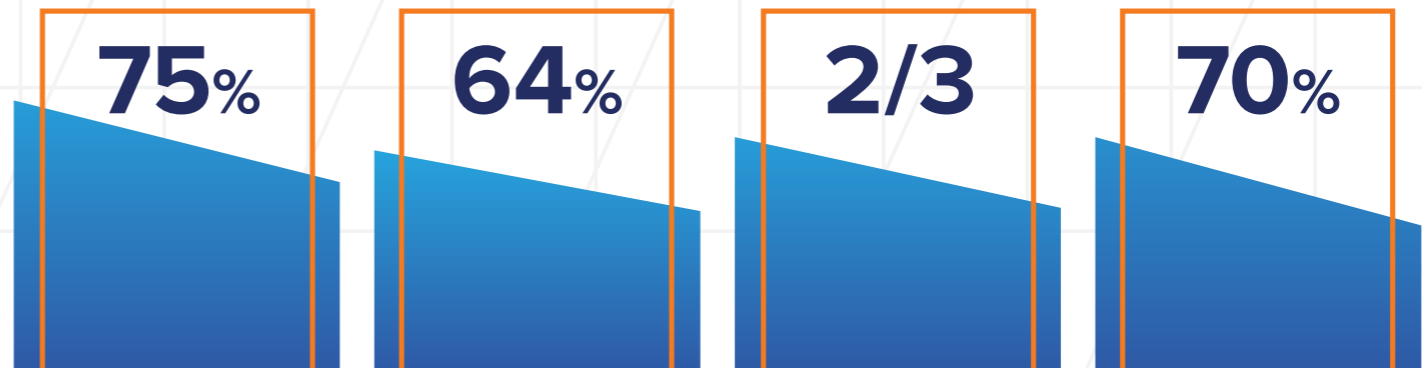
75% of UK consumers feel like they're treated as generic customers, rather than as a known individual in online interactions.

64% of customers said brands that should know them well don't.

2/3 of UK consumers feel that brands don't do a good job of using their preferences to predict what they need.

70% of UK adults feel brand experiences are inconsistent across platforms and channels.

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Marketers are working hard to close these CX performance gaps. In the year ahead, 90 percent of marketers who are increasing their spending are focusing on personalisation for customers, and almost 9 in 10 are improving personalisation for prospective buyers.

Striking the right balance with transparency, trust, and data management is key. From a technical standpoint, brands are moving forward at a slower pace than desired. Ninety-one percent of marketers feel that if they better understood customer data, they could effectively automate parts of their experience.

However, technology alone – at least in the form of most of today's available CX platforms – isn't the solution. Seventy-seven percent of marketers feel that technology has actually made it more difficult to deliver personalised experiences.

One of the biggest challenges? In our survey, 85 percent of marketers reported that customer data is captured in multiple systems and lives in different silos. As a result, it's difficult to drill into that information for insights and create real-time feedback loops that wow customers.

80%

of UK consumers say brands shouldn't be able to market products or services to them using personal data.

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And while customers want personalised experiences, people in the UK aren't fully comfortable with the current state of the data landscape. For marketers, it's important to be aware of these concerns and be ready to meet them with transparency, IT security solutions, and a clear plan for what data is collected and how it will be used.

> **"Companies need to be focused intensely on getting the CX right – the need for clarity and transparency with the customer is paramount. Trust is the new currency in this digital age."**
>
> —Paul Denham, Founder @InsightBrief & @ContentAssets

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MIND THE TRUST GAP

Brands should not be able to use my personal data to try and market different things to me.

81%

United Kingdom

VS.

I would be more loyal to a brand that showed they really understood me and what I was looking for

81%

United Kingdom

Consider this telling data point: Just 26 percent of UK concumers are comfortable with brands having information about them that they're not aware is being collected. Meanwhile, 45 percent aren't comfortable with this scenario at all.

Marketers have an opportunity to use data as a strong selling point, by addressing UK consumers' concerns about how they're collecting, storing, and managing individual data head-on.

BUILDING TRUST THROUGH TRANSPARENCY, STRONG DATA PROTECTIONS, AND EMPATHY IS KEY.

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LEARNING BY EXAMPLE

Notting Hill Genesis

BACKGROUND

Notting Hill Genesis owns and manages more than 119,000 homes across London and the southeast of England, and provides housing for nearly 170,000 people. They wanted to provide a quick, easy, online solution for residents to submit repair requests.

CHALLENGE

The organisation's existing website was no longer serving their audience's needs. It had grown organically over several years, and while it had useful content, it had become difficult to navigate. Notting Hill Genesis hired creative agency Manifesto to conduct research on user experience.

SOLUTION

Notting Hill Genesis opted to launch their new site on Acquia Cloud. The open, modular nature of the Drupal solution on this platform enabled advanced reporting and other features the organisation needed. It also enabled the development of a convenient, easy-to-navigate solution that is in line with customer expectations.

An innovative new feature for requesting repairs across the organisation's thousands of properties uses a conversational interface to help guide tenants towards the actions that will get them help fastest.

Condensing thousands of decision-tree options down into a simple conversation with a human-like assistant, the "Report a Repair" feature attempts to mirror the experience of the contact centre, and helps tenants get fast access to the information they need.

RESULTS

The new experience was built in less than 11 weeks. After launch, the website quickly and efficiently triages 2,866 user inquiries. Over a five-month period, it's estimated that 11,467 calls to the contact centre were prevented as a result of the new website and the customer's experience improved.

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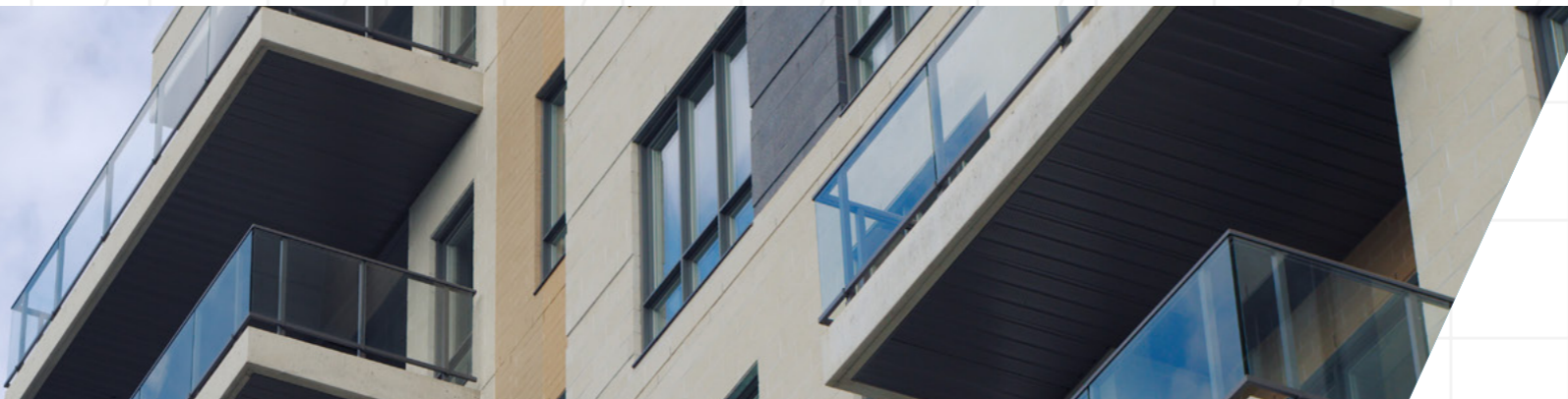
BRINGING IT ALL TOGETHER

No matter where you are on your journey to creating amazing customer experiences that drive loyalty and business, here are some tips to help you on your next steps:

1. RECONNECT WITH YOUR AUDIENCE

The data shows a clear disconnect between how marketers perceive their CX and how customers experience it. While brands may be aware of CX trends in broad strokes, they often have a blind spot in their own performance.

Take the time to reconnect with your audience, understand their needs, and measure your own performance.

2. EXPLORE OPEN SOURCE TECHNOLOGY SOLUTIONS

Many marketers experience frustrations around partnering with IT and the speed or features they can implement with existing CX technology solutions.

However, technology has the potential to help brands scale the personalised, convenient experiences today's UK audiences demand. In the year ahead, consider moving beyond the limitations of any one vendor's ecosystem – or worse, trying to coordinate communication between incompatible partners. An open source ecosystem may be the CX solution to the holistic experience organisations need.

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3. BE TRANSPARENT WITH YOUR DATA

Complying with GDPR is a start, but it's not enough. While consumers want more personalised experiences, they have genuine concerns about the way brands are collecting, storing, and managing their data. Build trust by being transparent about your data strategies. Ensure against devastating brand damage by investing in secure IT storage.

Delivering a top customer experience is no small challenge — and in today's landscape, high expectations and data concerns leave little room for error. Yet marketers are also some of the toughest critics for the CX and have big visions for what's possible with the right people, technology, and data in place. Take a stand and evaluate how your own CX is performing within the context of UK audiences' expectations and the broader market.

USE THESE TIPS TO GET STARTED AND YOU'LL BE ON YOUR WAY TO CLOSING THE CX PERFORMANCE GAP.
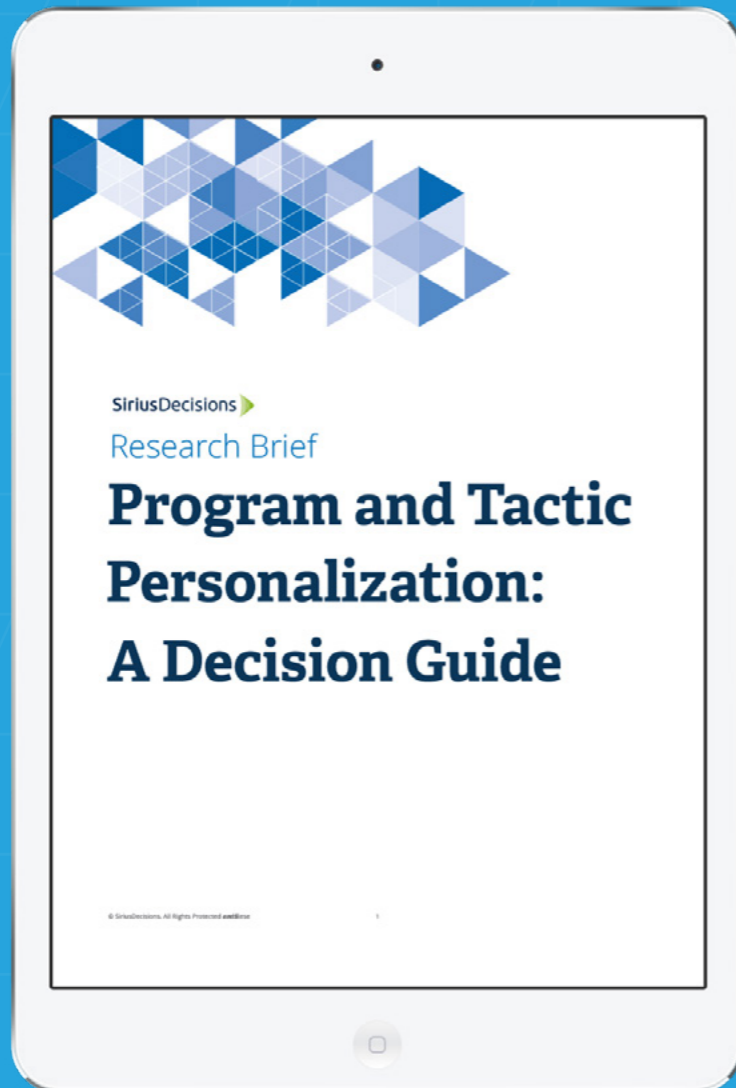
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Every business wants to deliver more personalised messaging and experience for their customers. But how do you know whether the resources you invest in it will be worth the reward?

To learn more, download your copy of the global report or take the next step and learn more about how to balance personalisation techniques and the technology available to you to create great customer experiences in

"PROGRAM AND TACTIC PERSONALIZATION: A DECISION GUIDE."

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Research Brief

Program and Tactic Personalization: A Decision Guide

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Acquia is the open source digital experience company.
We provide the world's most ambitious brands with
technology that allows them to embrace innovation
and create customer moments that matter. At Acquia,
we believe in the power of community – giving our
customers the freedom to build tomorrow on their terms.