Acquia
EXPERIENCE DIGITAL FREEDOM

DESIGN RESILIENT DIGITAL CUSTOMER EXPERIENCES IN DISRUPTIVE TIMES

Customer Experience Trends Report, Global Edition

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EXECUTIVE SUMMARY

COVID-19 radically reshaped the global economy and accelerated the pace of digital transformation. Brands and consumers had to adapt to a digital-first reality in weeks rather than years.

Consumers now interact – and purchase – more online. They spend more time engaging with brands digitally, and on more diversified online channels.

In turn, more marketing teams are working to deliver digital experiences. A recent survey found 70% of executives expect the pandemic to accelerate digital transformation.

That signals big changes for marketers and the technology they rely on to create unforgettable customer experiences (CX).

When faced with 2020's disruptions, brand teams that had already been investing in digital transformation had a technology foundation that allowed them to pivot fast. The ability to access real-time customer data, openly integrate new tools into their marketing platforms, and quickly scale new digital experiences gave them a competitive edge.

Companies without a compelling digital presence, flexible marketing tools, or tech-savvy talent aren't as well-positioned.

Many brand leaders found themselves trapped by siloed marketing technology that limited their ability to share data across systems or integrate new tools with their existing platforms. Too often, that results in a fragmented digital brand experience that's not easy to evolve.

Across the board, leaders cite common challenges and lessons learned that are helping iterate more effective CX strategies for the year ahead.

Technology
As brands seek new ways to engage consumers, technology is in the spotlight. Marketers expect spending on digital initiatives and CX tools to rise.

Talent
Over half of organizations note that Chief Marketing Officers drive their CX strategies. Yet delivering a great CX is a full-contact endeavor, and many brands can't recruit the specialized data science and technical talent needed to bring deep campaign expertise.

Touchpoints
Brands rely on strategic personalization to build and scale a successful digital CX. Companies that invest in personalization report positive returns, such as greater engagement and repeat purchases.

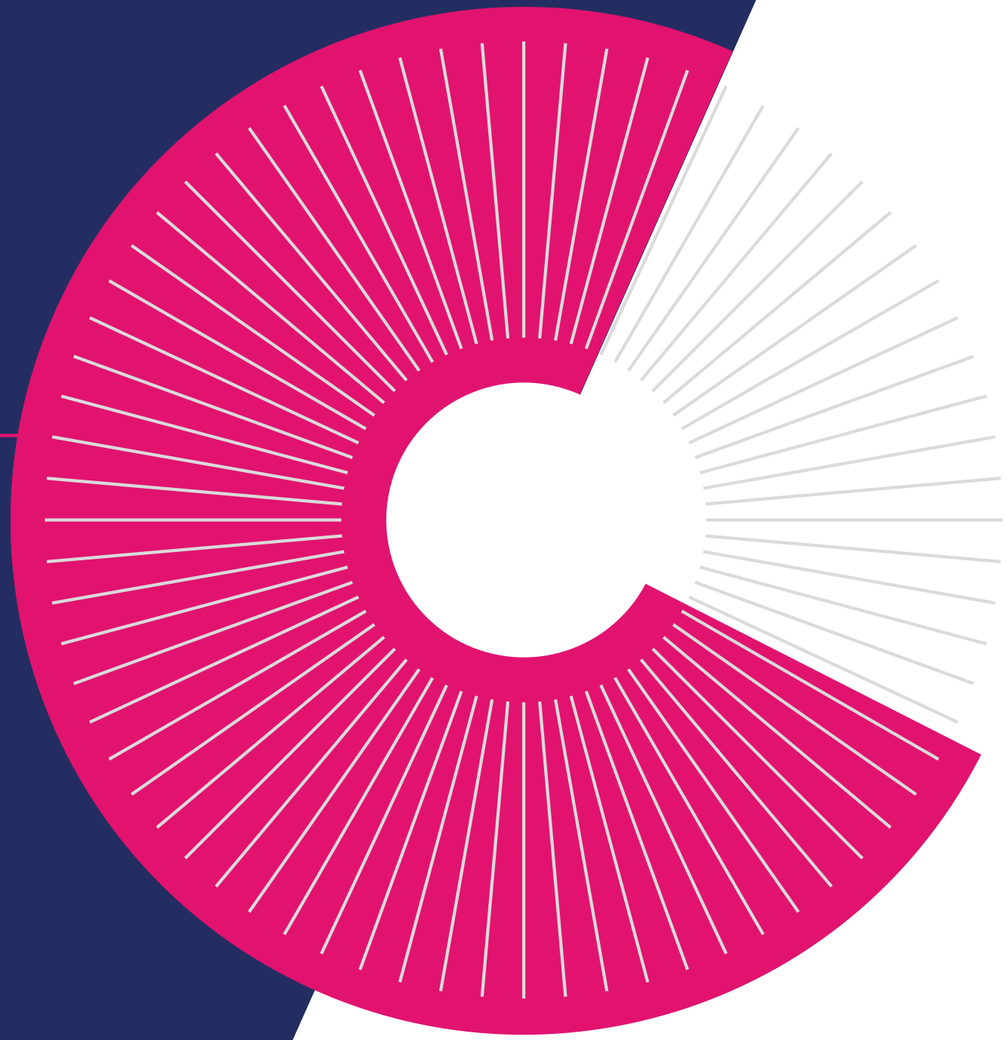
ABOUT THE SURVEY

To gain a perspective on these topics through a global lens, we collected the views of 8,000 consumers and 800 marketers across Australia, France, Germany, Japan, Mexico, Singapore, the United Kingdom, and the United States. The survey explores how marketing and consumer behaviors have shifted to adapt to the new landscape.

As we examine these research findings and implications, we'll discuss how brands are adapting to the new reality and key lessons learned.

74%

RESPONDENTS SAY THEIR DIGITAL EXPERIENCE WITH BRANDS HAS CHANGED SINCE THE START OF THE PANDEMIC



SECTION 01

A DISRUPTED CUSTOMER EXPERIENCE GOES DIGITAL

75%

OF U.S. CONSUMERS HAVE TRIED A NEW STORE, BRAND, OR WAY OF SHOPPING DURING THE PANDEMIC.

McKinsey

Marketers who understand how the fast-changing landscape impacts consumers have a competitive edge. Consumers adapted to a new COVID-19 reality by adopting new habits like social distancing and remote work – and found new ways to buy products and services.

Market changes spurred experimentation and adaptability, which upended traditional brand loyalty. McKinsey reports 75% of U.S. consumers have tried a new store, brand, or way of shopping during the pandemic.

Buying behaviors have shifted throughout the pandemic and recovery. Nielsen identified six stages in the pandemic-related buying cycle and found that consumer buying patterns evolve on a near-weekly basis.

Customers in the same state or even city may display different buying patterns based on local conditions.

That makes it even more complex to design and deliver your CX.

Our 2019 study found 78% of consumers are loyal to brands that understand them and what they want to achieve during brand interactions. As customers grapple with the “new normal,” knowing what they want is more important than ever.

Trust, reliability, and making good on brand promises has become top-tier brand currency. If you offer a frictionless, flexible CX that helps consumers get the products, services, or answers they need, they’ll keep coming back for more.

What's changed overall in the customer experience?

Globally, 40% of consumers report buying more online than they did before. As a result, brands' websites, sales-related communications, and personalization are driving customer satisfaction and building relationships.

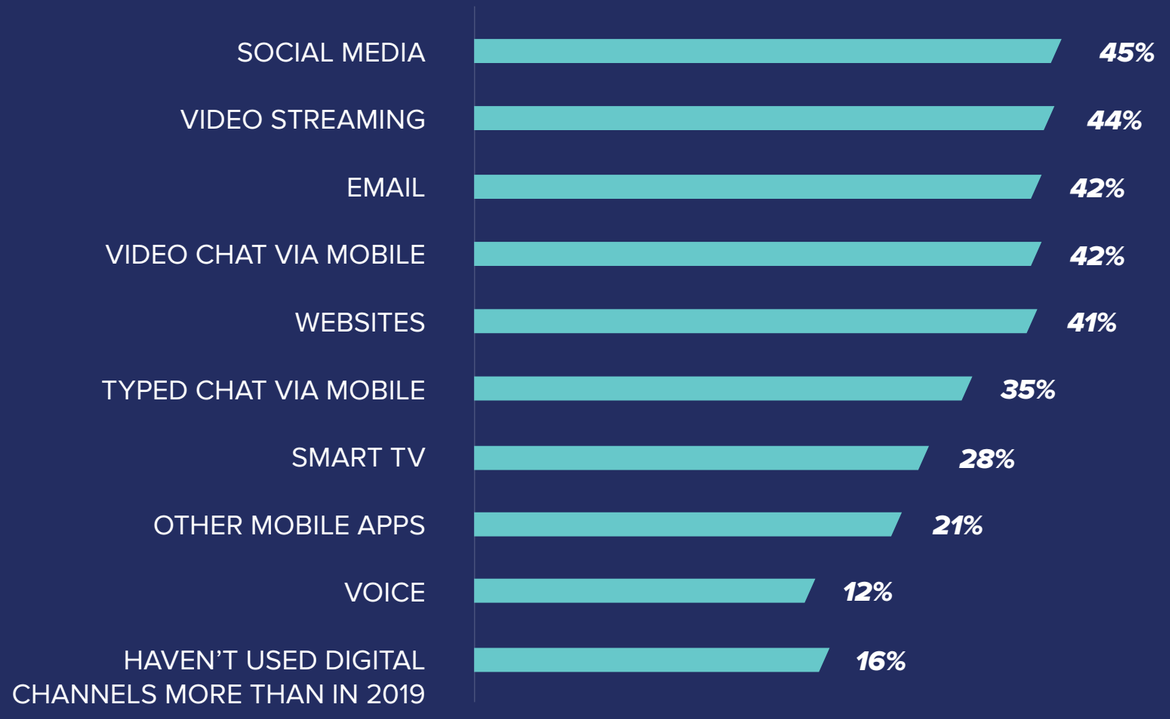
Brand loyalty has evolved, with factors such as new shopping venues or supply shortages encouraging consumers to try new things: 24% of global respondents report purchasing from more brands than they have in the past.

Data consumption patterns have shifted too, showing that consumers' digital habits have changed other areas of their lives, such as the platforms they use and how they spend free time. This potentially opens new avenues of communication and connections for brands.

What happens if you're unable to deliver what customers need?

A website glitch or generic website experience can lead to disappointed consumers. The stakes are higher than ever. But the good news is that brands are working hard to adapt and deliver.

CONSUMERS ARE USING DIGITAL CHANNELS MORE IN 2020 THAN THEY DID LAST YEAR. BRANDS HAVE NEW OPPORTUNITIES TO CONNECT AND SERVE.



SECTION 02

IS YOUR DIGITAL CX READY FOR PRIME TIME?

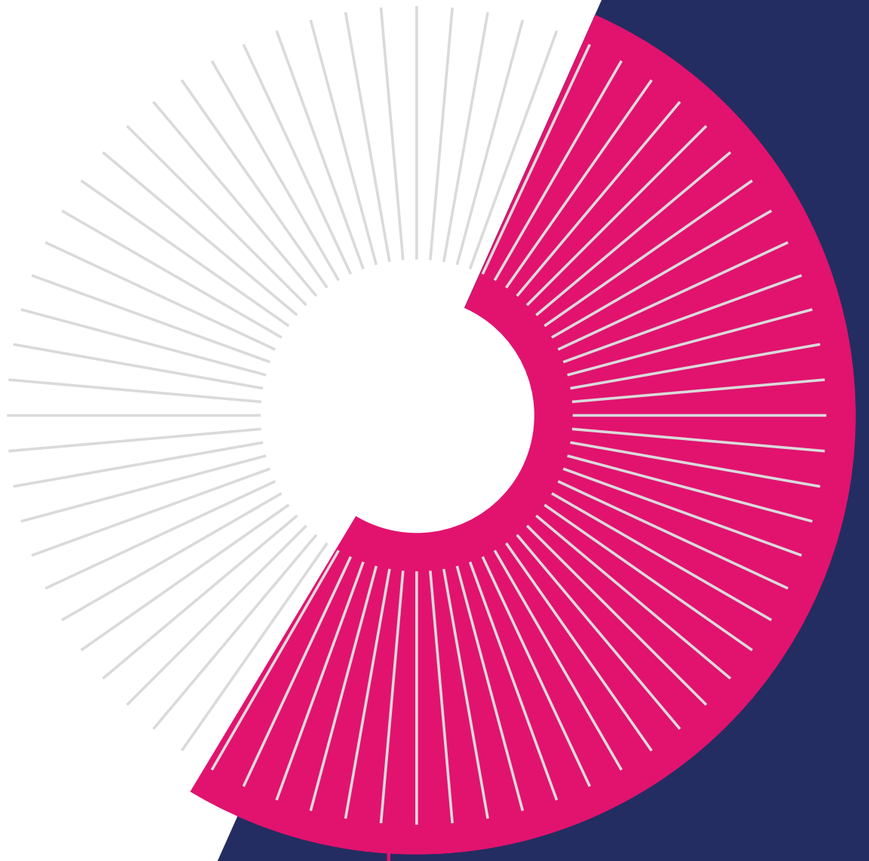
Marketers can take the lead by better tracking the changing customer journey and delivering a more effective digital CX.

Here's how:

- **Assess your digital presence.**
  Does your digital infrastructure meet consumers' needs? Brands should build on previous investments and explore new ones. A foundation set with open CX technology gives brands the flexibility to add tools quickly as customer needs continue to evolve.

- **Understand your consumers' changing experience.**
  Your customers' lives, needs, and preferences may have changed dramatically in 2020. How well do you understand their new reality? Leverage insights from your customer data to look at your CX from a 360-degree perspective. Start with exploring changing consumer buying behaviors, effort scores, purchase horizons, basket size, preferred customer service channels, surveys, and feedback loops.

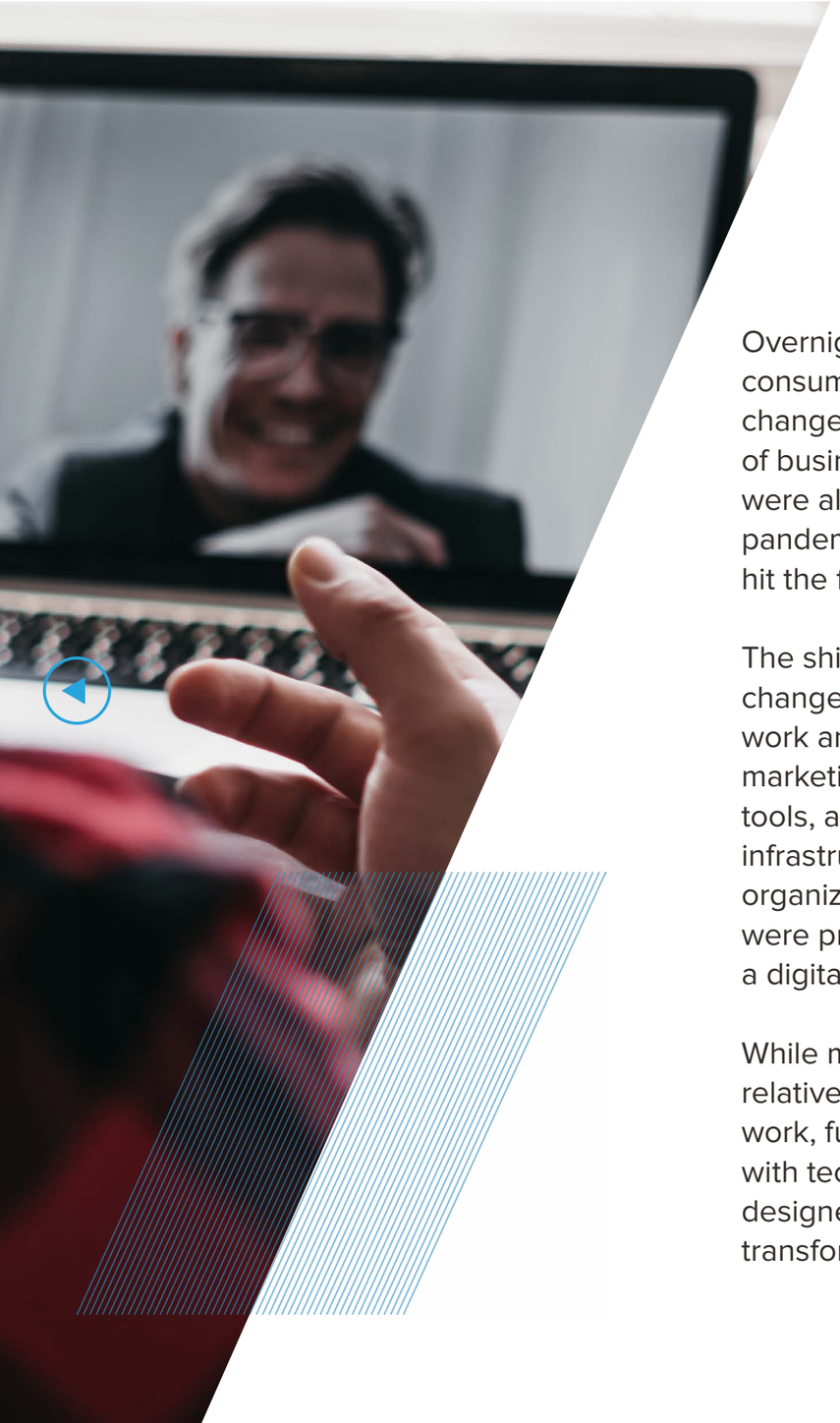
- **Support your CMO's ability to build a C-suite CX vision.**
  Of the organizations surveyed, 52% report that their CMO drives CX strategy. Partnering with leadership from other departments is crucial for setting the customer experience vision. IT supports technology deployments, HR recruits the right talent, and customer service interfaces with consumers. Build consensus around defining and delivering excellence throughout your digital CX.



52% ***REPORT THAT THEIR CMO DRIVES CX STRATEGY.***

SECTION 03

WHAT WE LEARNED FROM HITTING THE FAST-FORWARD BUTTON ON DIGITAL TRANSFORMATION



Overnight, the way brands and consumers interact completely changed and affected every area of business. Digital transformations were already underway, but the pandemic forced brand leaders to hit the fast-forward button.

The shift to digital has also changed the way marketing teams work and interact. Investments in marketing technology, collaboration tools, and customer experience infrastructure paid off, with 82% of organizations reporting that they were prepared for the rapid shift to a digital working environment.

While marketers report a relatively smooth shift to remote work, fully 97% cite challenges with technology and processes designed to support digital transformation.

In 2020, the top 3 challenges marketers identified are:

46%
Adopting new marketing solutions

41%
Getting existing marketing solutions to integrate with new ones

41%
Creating new content for customer engagement

When King Arthur Baking Company experienced a 260% surge in website activity from quarantine bakers anxious for recipes, they quickly implemented a new content-driven experience. The integrated commerce and content solution serves up personalized content – and points customers toward relevant products. Setting the right technology foundation helped King Arthur Baking Company build on their 230-year history of adapting to business conditions by modernizing it in 2020.

Here are key takeaways marketers shared:

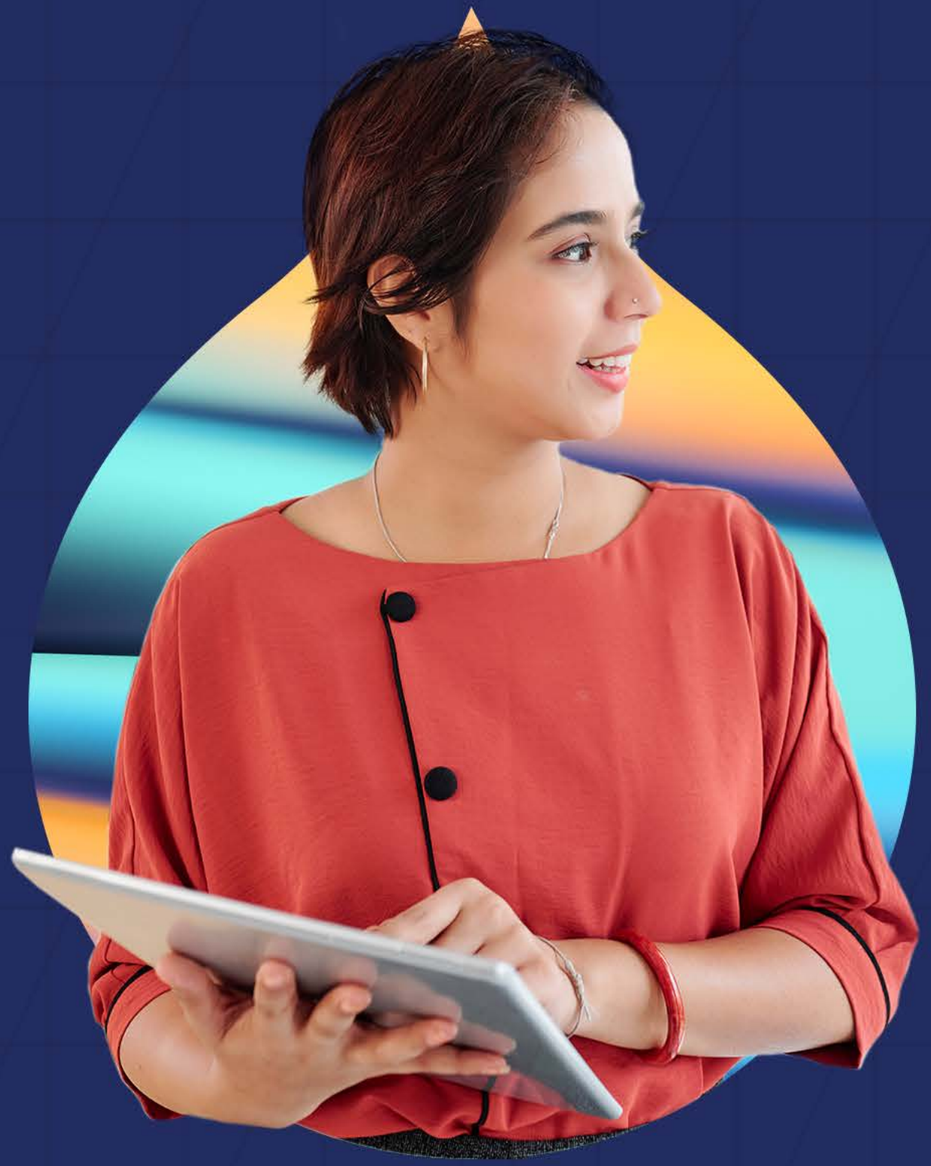
Architect your technology for adaptability.
More than half of marketers say that they should have implemented new solutions faster. Many struggled with the speed of rolling out new technologies and sharing data across systems. By architecting your infrastructure with flexibility and openness in mind, it's easier to adapt to changing circumstances.

Eliminate friction with open CX platforms.
Integrating existing technology with other solutions was a struggle for 40% of the marketers surveyed. Brands that rely on siloed technology or monolithic platforms are hampered by limited toolsets or unable to get fragmented systems to effectively share data. Interoperability is a significant concern for brands choosing new marketing and CX technologies.

Brands that can break down their data and process silos achieve better visibility and faster response times.

Embrace digital in unexpected places with your CX.
Brands are trying new things to engage customers online, and that's driving CX innovation: 48% of brands created new content for customers, and 45% diversified the digital channels they use to interact.

40% of brands are leveraging existing content in new ways. Beauty brands, for example, are pairing content and digital consultations to help consumers find products or learn how to apply them as part of a bespoke digital experience. Other brands are introducing virtual-reality shopping applications or augmented reality tools to help shoppers envision products when they can't get into a store to see them in person. Brands offering a unified digital experience are bringing data-driven capabilities to the shopping, purchase, and post-purchase phases of their CX.



SECTION 04

FORGING THE NEW CX: ALIGN TECHNOLOGY, TALENT, AND TOUCHPOINT STRATEGIES

As brands look to the future, three aspects underscore a strong digital CX: technology, talent, and touchpoint strategies. Here's a closer look at their plans for building resilient and responsive CXs in the months ahead.

EMBRACE MARKETING AND CX TECHNOLOGY

Most brands implemented some new marketing or CX tools over the past 12 months, and 82% of respondents report that their organization's ROI on marketing technology improved in 2020.

Despite economic uncertainty and shifts in business, organizations continue to prioritize laying the right technology foundation for their digital CX. That trend is expected to continue – and 77% of marketers in our global survey anticipate their department's budget will increase next year. A recent Gartner CMO study found that while there's some ambiguity about budgets in the C-suite, 68% of CMOs intend to increase spending on martech, and digital initiatives are expected to account for 80% of multi-channel budgets.

What types of platforms and enabling technologies are marketers focused on? Survey responded:

- **Marketing automation platforms (63%):** These allow brands to automate personalized communications across digital properties and channels.
- **Customer data platforms (54%):** A CDP gathers, cleanses, dedupes, stitches, and enriches data into a holistic customer record. That data can then be paired with other solutions to offer consistent, targeted, and personalized experiences.
- **AI and machine learning (44%):** These enabling tools help marketing teams get more done with the data they have.
- **Personalization (43%):** These tools collect customer data and build visitor profiles that can be used to deliver outcomes such as tailored website content and a hyper-targeted omni-channel CX.
- **Content management systems (35%):** These centralize and streamline online publishing.

As brands evaluate what types of technology to use, their focus is shifting toward deeper personalization and smarter digital experiences. Integration with current technologies to create best-of-breed solutions enables marketers to make the most of budgets, so open solutions are in the spotlight.

FACTORS TO CONSIDER AS YOU PLAN TECHNOLOGY INVESTMENTS

Determine the marketing challenge you're solving.

While technology investments will be a priority, budgets are under scrutiny. By defining your most urgent pain points and specific goals, it's possible to identify high-priority technology solutions that can solve the issues while adding to the bottom line.

Building the business case can help. If you need to better personalize your customer experience, for example, implementing personalization tools can help you gather data on your audience's real preferences from a range of different channels.

As you build more mature customer profiles, you can deliver content based on a specific customer's unique preferences.

Explore solutions to amplify your impact.

Across the customer journey, there are high-impact touchpoints. For example, remembering transactions across devices or adding customer service options can reshape your customer experience.

A retail brand that's moving from a largely physical-driven strategy to online, for example, needs to foster strong connections through new channels. Solutions might include:

- **Introducing chatbots to answer routine questions and shorten wait times**
- **Offering digital consultations to provide style and product advice**
- **Leveraging dynamic content personalization to help consumers immediately connect with relevant content**

Find smart technologies that can drive a positive impact across your CX.

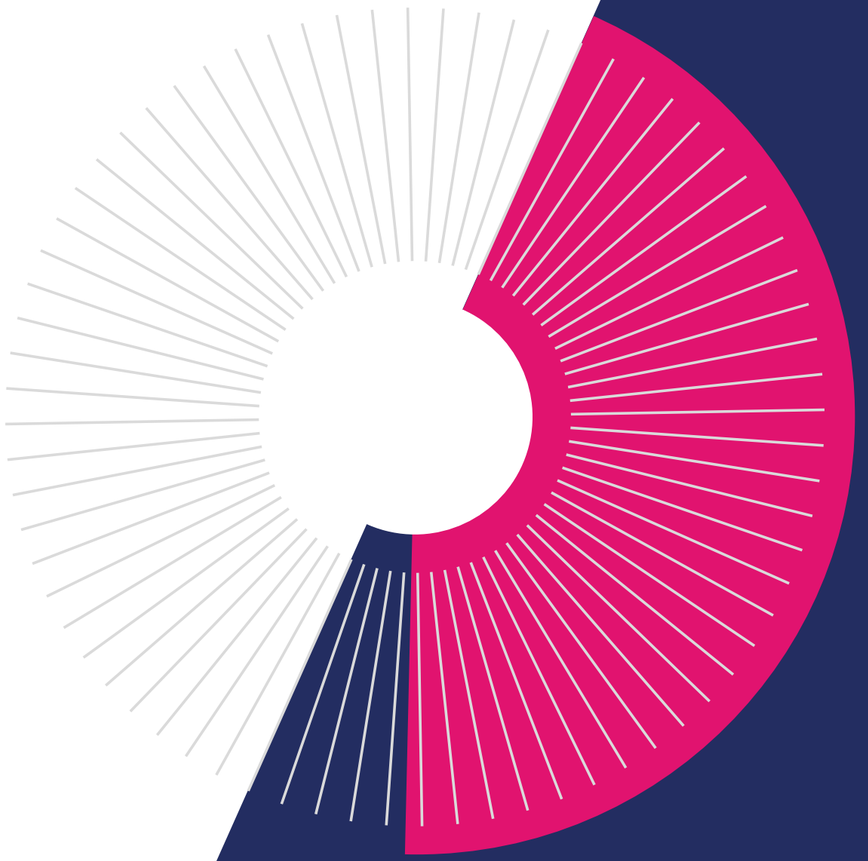
EMPOWER CX-FOCUSED TALENT

Your organization's talent bench is crucial to an agile CX that can deliver in the context of today's fast-changing business and social landscape.

A strong vision starts at the top. The CMO is responsible for driving customer experience strategy, according to 52% of marketers. The Chief Digital Officer or Chief Information Officer lead just 14% and 13% of CX strategies, respectively. Even the best leaders need the right marketing and CX talent to help fulfill that vision.

Yet a skills gap and talent shortage make it harder for some organizations to deliver an effective CX. Analytics and technical talent are most in demand: 43% of companies struggle with a lack of data analysts and data scientists, and 40% cite a lack of machine learning engineers. It's hard to find this talent and expensive to retain them.

In other roles, 33% of organizations report that reductions in workforce in response to COVID-19 have strained workloads and made it challenging to build better digital marketing campaigns.



43% CANNOT HIRE THE RIGHT TECHNICAL TALENT.

What brands can learn from these insights:

Improve data and technical capabilities with the right platform.

Engineering and data science talent shortages don't have to slow you down. Low-code platforms make it easier to build, deploy, and analyze campaigns without sophisticated programming knowledge. Customer data platforms with machine learning capabilities gather and analyze customer insights that any team can access and use.

Explore how technology can supplement your team with automation.

Today's marketing teams are lean – and busy. Automation solutions streamline campaign creation and make iterative improvements easier. Machine learning, AI, and analytics power readily accessible customer intelligence and insights to inform campaigns.

Create CX roles focused on culture and process.

There's a need emerging for CX professionals whose role is to optimize an organization's ability to respond at speed.

Whether it's constantly monitoring the pulse of changing customer data or building a technology stack with agility in mind, this type of institutional knowledge helps brands prepare for the future.

DEVELOP TOUCHPOINT PERSONALIZATION STRATEGIES

There's a significant push to embrace personalization across a brand's digital touchpoints, with 96% of marketers reporting they have seen improvements with customer engagement after personalization initiatives. Half of brands see increased engagement with their branding and 41% experience more repeat purchases.

Personalization can also play an important role in getting back on track after downturns. BCG notes that brands must adopt a new approach to personalization. "Just-in-time" personalization combines market trend data with individual digital customer insights to determine what a customer needs right now.

Effective personalization begins with the underlying technology and then extends to your brand's strategy.

Brands are focusing on:

62%
Personalizing customer service

49%
Personalizing communications

48%
Creating more content for customer engagement

How can brands get personalization right in 2020?

Invest in a CDP with cross-channel personalization capabilities.

Brands need a strategy for delivering personalized experiences across channels. Customers connect with brands via computers, mobile devices, smart TVs, or even voice. Every interaction generates data that can help you better understand the customer's need and fold insights into your omnichannel experience. A CDP is the backbone of a strong, personalized CX.

Understand the trust gap between consumers and brands.

Personalization relies on data, but the numbers show there's still a trust gap in play. While 73% of marketers believe consumers trust their brand's use of personal data at least slightly more than last year, consumers don't agree.

Just 13% report they are very comfortable with giving brands data for a personalized experience, and 46% are not comfortable doing so.

Understanding what drives this disconnect is crucial to successfully delivering personalization.

There are numerous concerns. With data breaches in the headlines, security is a key consideration. However, it's important to recognize that transparency also matters. An Acquia study found that 65% of consumers don't know which brands are using their data and 55% don't know how brands are using it. Take time to better understand how your customers feel about data and personalization.

Embrace a three-point plan to earn – and keep – consumers' trust.

- **Comply with data privacy regulations, safeguard consumers' personal information, and help educate consumers on the steps taken to protect their information.**
- **Be transparent about how you are using data and give consumers control over their information.**
- **Offer clear value for data. Take steps to ensure that customers see an immediate improvement in their CX as a result of the data shared.**

Explore personalization nodes across your CX.

Whether that's as simple as personalizing a newsletter shared with customers or as advanced as giving your customer service reps access to a CDP for targeted support calls, personalization is an ethos. Where are you meeting the standard and where could you improve delivery? Identify areas where delivering personalization before, during, and after the purchase could upgrade your CX.

SECTION 05

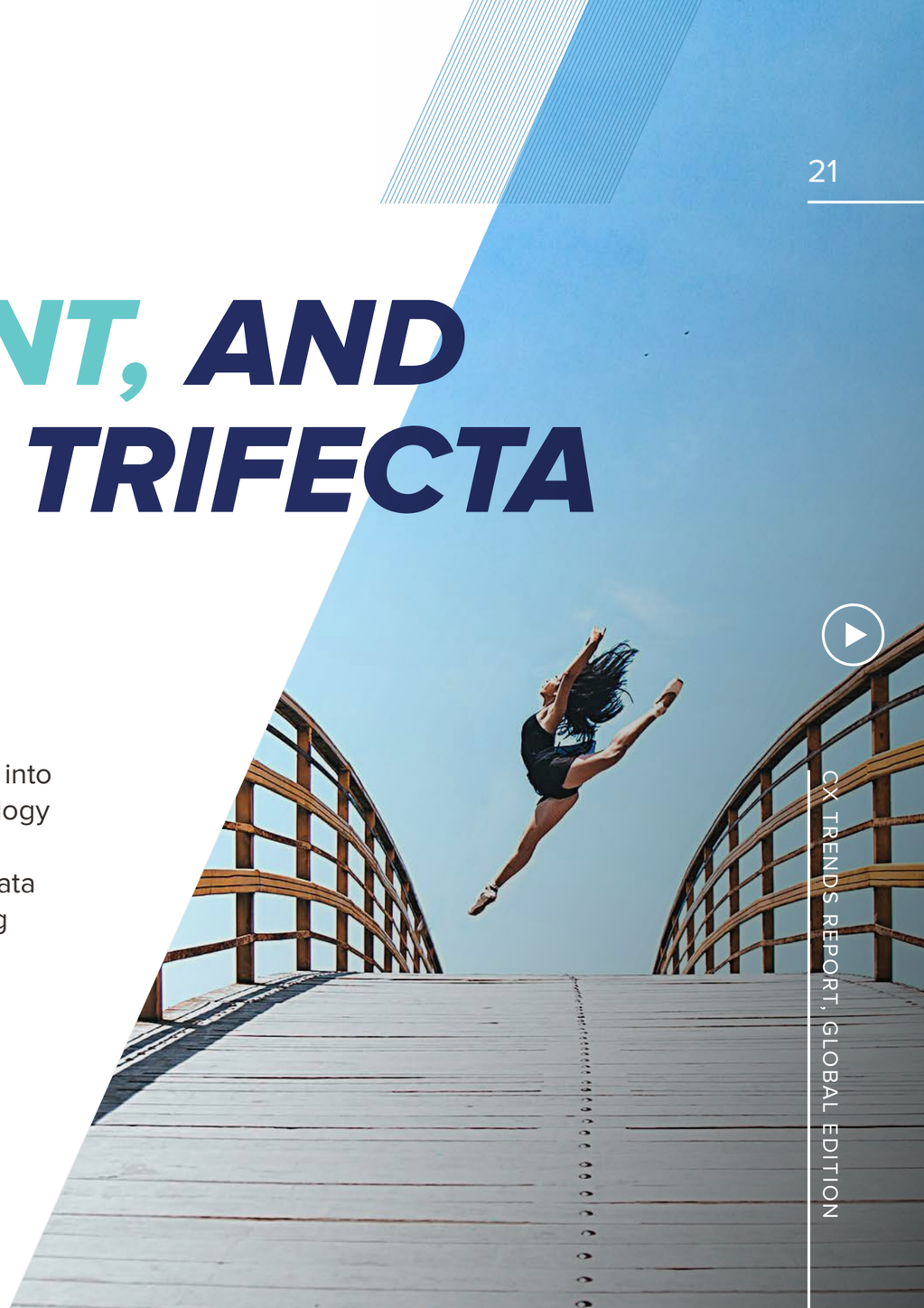
TECHNOLOGY, TALENT, AND TOUCHPOINTS: THE TRIFECTA FOR AN AGILE CX

As digital transformation accelerates, brands need the right technology, talent, and touchpoint strategies to adapt.

Optimism around technology's potential will drive continued marketing spend. Technology offers access to data that can help you decode fast-changing customer behaviors and it extends your capabilities by automating workflows and delivering smart personalization.

A skills gap may slow some organizations' digital transformation, but many are leaning into technology for solutions. A stronger technology platform helps CMOs set bold visions and provides their teams with the automation, data capabilities, and insights to drive compelling customer experiences.

Organizations are taking the lessons learned from the first half of 2020 and developing iterative strategies that offer more engaging experiences.



SUMMARY AND TAKEAWAYS

For organizations at different stages of their digital transformation journey, the roadmap to an effective digital CX is clear.

Here are some takeaways to consider in the coming months:

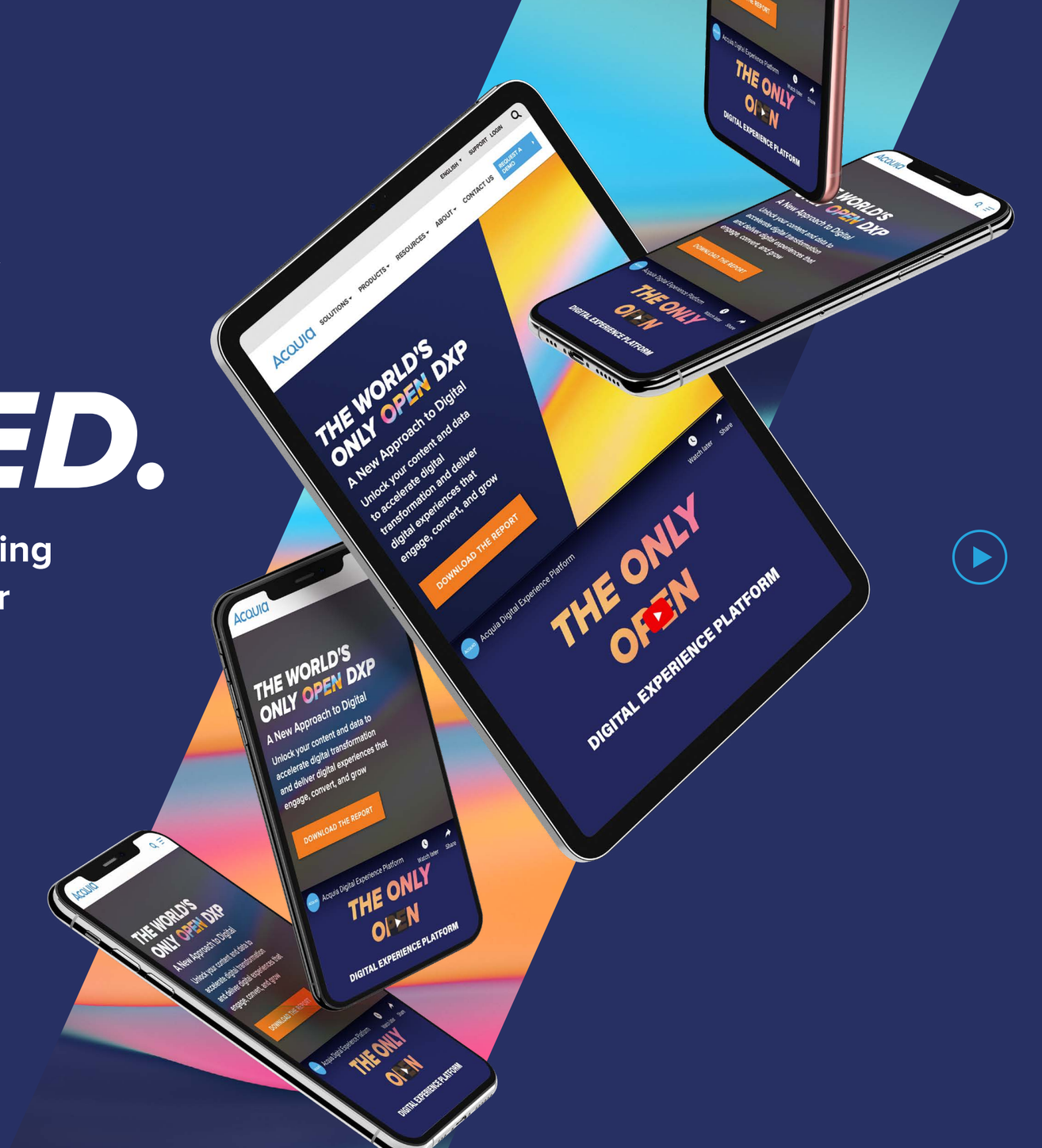
- **Investments in digital and CX are set to increase.**
- **The CMO leads the way for digital transformation.**
- **A leaner workforce doesn't have to inhibit your CX.**
- **Personalization can help brands adapt, yet it must be done properly, with a strong technology foundation, clear data policy, and consistent touchpoint application.**
- **Open solutions can help you get to market faster, integrate technology, and create more personalized content.**

A strong CX grows your bottom line. Today's CX leaders blend technology, talent, and touchpoint strategies to shape a CX that keeps pace with market changes now and sets the stage for future success.

NOW, LET'S GET STARTED.

Brands need a partner committed to supporting them as they strive to do what's best for their customers. They also need a partner with a vision for CX and how open technology can support it. Learn why Acquia is that partner.

LEARN MORE ▸



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ABOUT THE SURVEY

“Design Resilient Digital Customer Experiences in Disruptive Times” was commissioned by Acquia and conducted by Vanson Bourne during June and July 2020. Respondents to the online survey were 8,000 consumers (1,000 from each location: Australia, France, Germany, Japan, Mexico, Singapore, the United Kingdom and the United States) and 800 marketers, with 100 representatives from each of the same nations listed above.

ABOUT ACQUIA

Acquia is the open digital experience platform that enables organizations to build, host, analyze, and communicate with their customers at scale through websites and digital applications. As the trusted open source leader, we use adaptive intelligence to produce better business outcomes for CX leaders.