IFP Insights For
Professionals

The State of Customer Experience in 2022/23

Research Report

IFP RESEARCH

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The State of Customer
Experience in 2022/23

Introduction

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CHAPTER 1:

Introduction

You've probably heard the phrase 'the customer is always right' at one time or another, and this is because organizations realized long ago the ROI potential of good customer service. However, the importance of providing a great customer experience (CX) only grew during the digital era, as the internet paved the way for millions of online businesses.

Since then, customer demands have changed, and the increase in competition has put CX on just about every company's agenda.

Leaving this to the customer service team is no longer an option. Today, leaders need to prioritize CX above all else.

In fact, CX is so important that this has become an industry in itself, with new tools and platforms like live chats, Customer Experience Management (CEM) software and user feedback solutions constantly emerging.

But what does this mean for organizations as a whole?

Our research takes a look at the current state of CX and the challenges that today's organizations are facing.

We'll also dive deeper into which vendors businesses rely on for CX and the areas that they intend to focus on in the coming months to improve customer retention rates.

Read on to learn:

- **The state of the CX landscape - are businesses doing enough?**
- **The biggest reasons businesses fail to retain customers**
- **How companies rate their CX - and what differentiates the best from the rest**
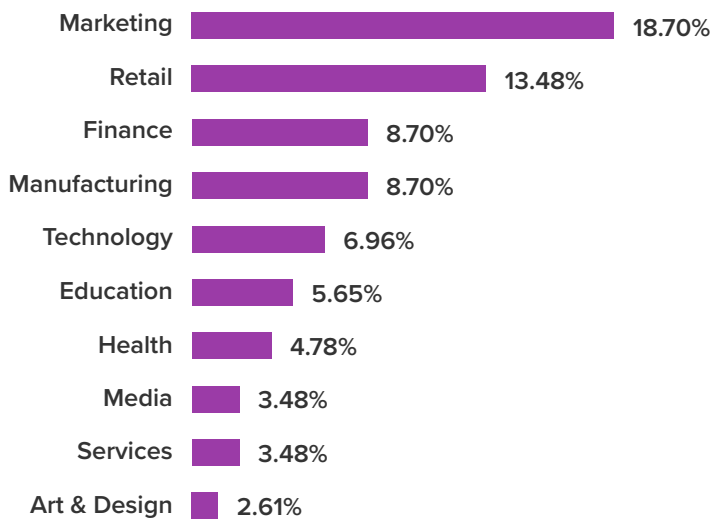- **The most effective digital channels for interacting with customers**
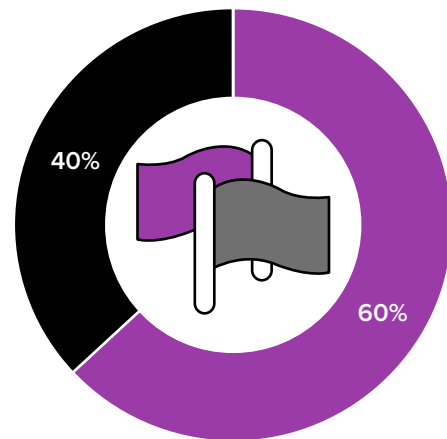
Survey demographics

Insights for Professionals surveyed 230 senior professionals in the US (60%) and the UK (40%) across more than 25 industries.

Among the industries with the most representation were Marketing (19%), Retail (13%), Finance (9%) and Manufacturing (9%). This was followed closely by Technology (7%), Education (6%) and Health (5%).

Top 10 Industries

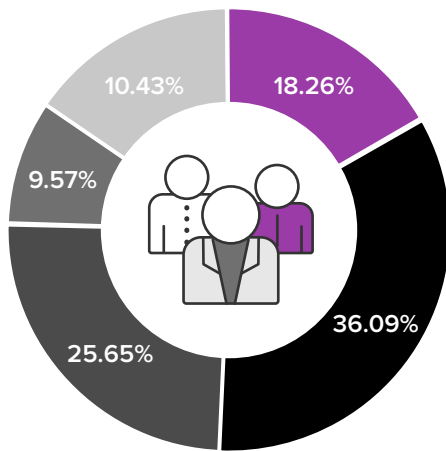| Industry	Percentage
Marketing	18.70%
Retail	13.48%
Finance	8.70%
Manufacturing	8.70%
Technology	6.96%
Education	5.65%
Health	4.78%
Media	3.48%
Services	3.48%
Art & Design	2.61%

Which country are you based in?

- United States — 60%
- United Kingdom — 40%

Company size

With regards to company size, all participants were from large enterprises with a workforce size of 250 or more. Of those, 18% are in companies with 250-499 employees, one-third (36%) are in companies with 500-999 employees and one in four (26%) are in companies with 1,000-4,999 employees.

Seniority level

As well as being from large organizations, our participants are all in managerial and senior positions within the company. Within this, 38% are managers, one-third (33%) are senior stakeholders, 23% are senior managers and 6% are heads of departments.

How many employees are there in your organization?

- 250 to 499
- 500 to 999
- 1,000 to 4,999
- 5,000 to 24,999
- 25,000 or more

18.26%
36.09%
25.65%
9.57%
10.43%

Authority breakdown

33.48%
38.26%
22.61%
5.65%
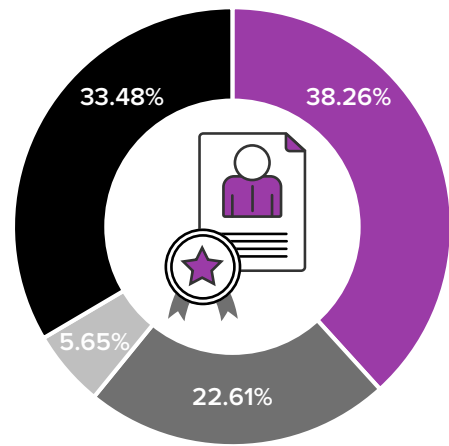
- Manager
- Senior Manager
- Head of
- Senior Stakeholders*

Finally, one in 10 (10%) were from organizations with 5,000-24,999, and the last 10% were from major corporations with a headcount of over 25,000 people.
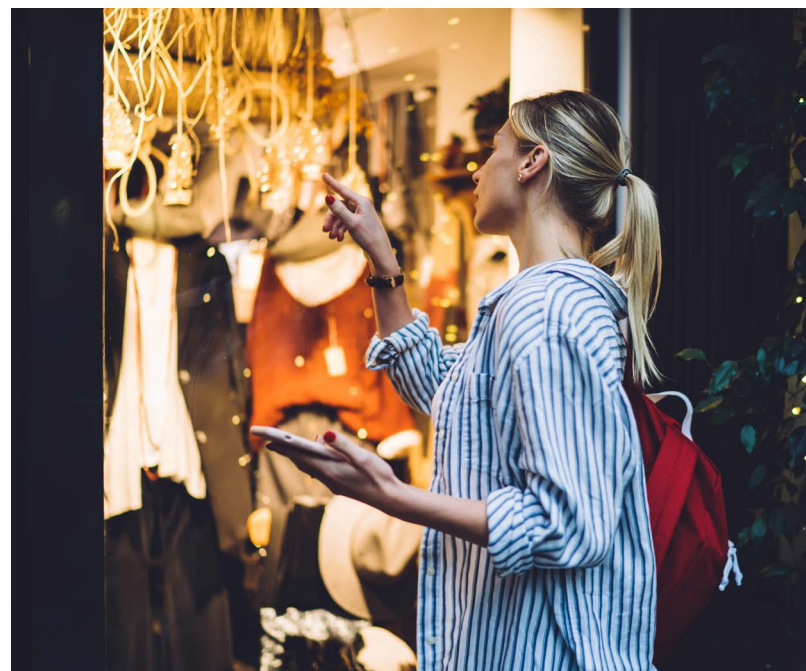

*Senior Stakeholders (i.e. Director, VPs and C-Suites)

10 key findings from the report

Here are some of the key findings from our report:

1. **Over one-third (38%)** of organizations rate their ability to deliver high-quality customer experiences as 'very good', and a further **56%** say it's 'good'

2. The majority **(45%)** of businesses want to invest in CX over the coming year in order to increase customer satisfaction

3. **Two-thirds (66%)** say their biggest CX challenge is understanding customers

4. **Half of organizations** say customer satisfaction metrics aren't shared across different departments, and this is stopping them from delivering seamless CX

5. To combat these issues, **51%** intend to invest in relationship marketing and a further **48%** in customer journey mapping

6. Lack of personalization **(16%)** and poor communication **(14%)** were cited as the biggest reasons that businesses fail to retain customers

7. That being said, most organizations are 'very confident' **(23%)** or 'fairly confident' **(57%)** that their customer service agents can meet or exceed customer expectations

8. However, **10%** are unsure, and almost **one in 10 (9%)** aren't confident in their customer service abilities

9. When measuring overall CX, Customer Satisfaction **(60%)** and Customer Retention Rate **(51%)** were the most important metrics for organizations

10. Customer-centricity **(26%)**, conversational AI **(21%)** and personalization **(21%)** are predicted to have the biggest impact on customer service trends over the next 12 months

The State of Customer
Experience in 2022/23

The state of the CX landscape

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CHAPTER 2:

The state of the CX landscape

Despite many thinking that the need to offer a great experience comes from the success of traditional customer service teams, this isn't the case.

The changes in CX have come from consumers themselves – they're the ones with higher standards demanding better service. In today's always-on culture, they're the ones demanding immediate results, constant communication and smoother customer journeys. And in a competitive market, organizations must do all they can to meet these demands. Why? Because with so many options available out there, customers are being more selective about where they spend their money.

Are businesses doing enough?

Despite their high expectations, over half (53%) of consumers feel that brands are failing to meet their needs, and two-thirds can't remember the last time an experience with a new brand exceeded their expectations.

This is worrying, given that three out of every four (76%) customers say they'll switch to a competitor if they have just one bad experience with a brand.

It's clear from these statistics that customer expectations are high, and yet too many businesses aren't doing enough to impress and retain customers.

Interestingly, our data revealed that 31% of organizations categorize their customer retention levels as 'very good'. However, the majority (54%) deemed their levels as just 'good,' and 15% said they were unsure or believed their retention rates were 'bad'.

How would you rate your customer retention levels?

4.78%

10.43%

30.87%

53.91%

● Very good　● Good　● Not sure　● Bad
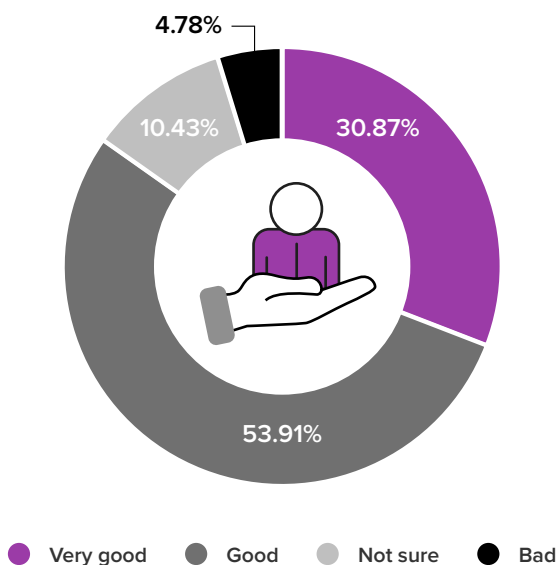
The good news is that almost half (45%) of organizations say their key reason for investing in customer experience is to increase customer satisfaction. A further 12% say it's to increase customer retention rates.

Select your main reason for investing in (CX)

- ● Increase customer satisfaction
- ● Increase cross-selling and up-selling opportunities
- ● Increase customer retention
- ● Increase profitability
- ● Reputation management

0.43%

10.43%

11.74%

32.17%

45.22%
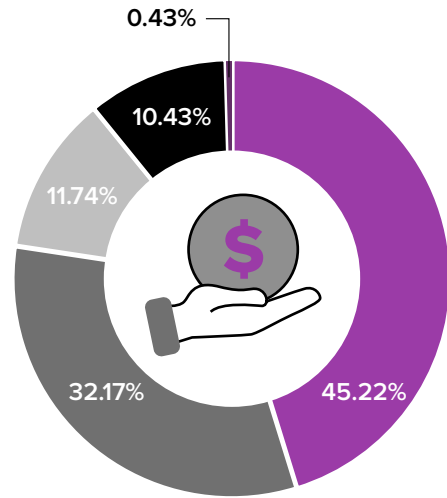
What does this say about the current state of the CX landscape?

Essentially, customers have high expectations and want the best possible experience. The sheer amount of choice means they can afford to be more selective about how and where they spend their money.

They expect businesses to continually meet their demands, and just one poor experience could be enough to make them look elsewhere. That's even if they had previously loved and been loyal to that particular brand.

It's clear that although businesses are becoming increasingly aware of the importance of CX, many are still falling short of the mark. More needs to be done if organizations and their leaders want to unlock the true potential of CX, though many are facing a series of challenges they need to overcome first.

The State of Customer
Experience in 2022/23

The challenges
of delivering
high-quality CX

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CHAPTER 3:
The challenges of delivering high-quality CX

As we said, consumers have higher expectations, and unfortunately, they don't stay loyal to brands like they used to. This leaves organizations under pressure to deliver consistently high-quality experiences to their customers. Otherwise, they might find that customer retention rates continue to drop.

Part of meeting the expectations of modern customers is offering a personalized and relevant experience at every stage. This could include tactics such as offering tailored discounts and using their name in relevant communications.

The majority of consumers (80%) say they're more likely to make a purchase from a brand if they're given a personalized experience. What's more, a staggering 72% will only engage with personalized messaging.

Meanwhile, almost two-thirds (63%) of consumers will stop buying from a brand if they use poor personalization tactics or don't personalize the experience at all.

Is it any wonder then that 16% of our respondents identified lack of personalization as the biggest reason they fail to retain customers? This was followed by poor communication (14%), rising customer expectations (13%) and not meeting customer demands (10%).

What would you identify as the biggest reason you fail to retain customers?

Reason	%
Lack of personalization	15.65%
Poor communication	13.91%
Rising customer expectations	13.04%
Not meeting customer expectations	10.00%
Difficulty moving the customer journey across channels	8.70%
Loss of interest in product range	8.26%
Long loading and waiting times	7.39%
Too much focus on getting new customers	6.96%
Inability to take customer feedback onboard	6.52%
Poor customer service	5.22%
Insufficient tools/technology	4.35%

Interestingly, when this question was posed to managers, an even higher 17% recognized that lack of personalization and not meeting customer expectations (13%) were to blame. Compare this to senior managers who were more inclined to blame rising customer expectations (21%) and poor communication within the organization (19%).

Manager **VS** Senior Manager

- ● Lack of personalization
- ● Poor comunication
- ● Rising customer expectations
- ● Not meeting customer expectations

Manager
- 10.23%
- 10.23%
- 12.50%
- 17.05%

Senior Manager
- 1.92%
- 15.38%
- 19.23%
- 21.15%
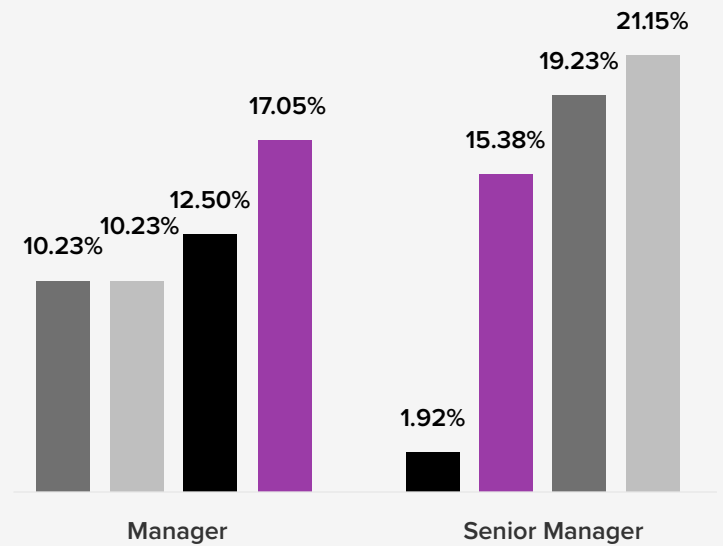
The challenges holding organizations back

The number one challenge that two-thirds (66%) of organizations are facing right now is the ability to understand customers. Mapping and analyzing the customer journey (61%) came second, followed closely by managing and accessing data (60%).

Top CX challenges

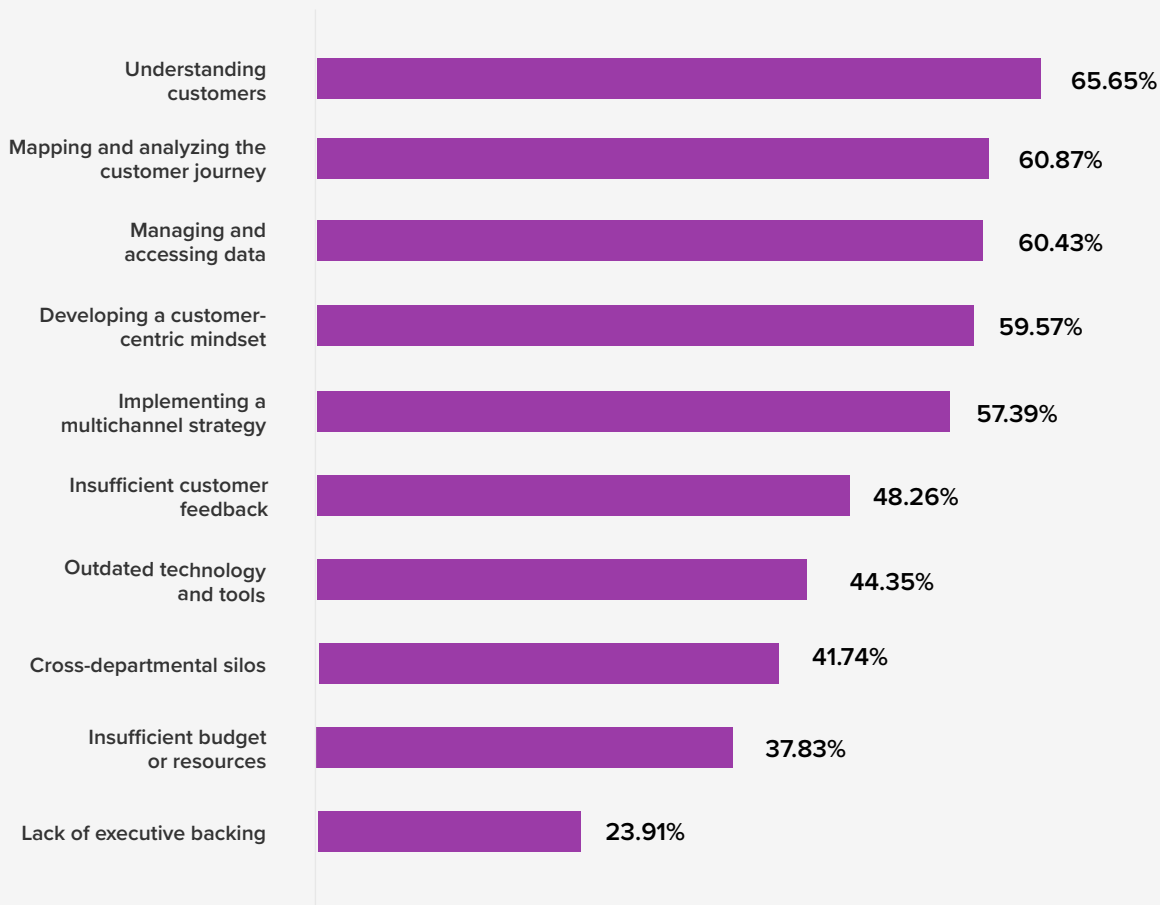| Challenge	Percentage
Understanding customers	65.65%
Mapping and analyzing the customer journey	60.87%
Managing and accessing data	60.43%
Developing a customer-centric mindset	59.57%
Implementing a multichannel strategy	57.39%
Insufficient customer feedback	48.26%
Outdated technology and tools	44.35%
Cross-departmental silos	41.74%
Insufficient budget or resources	37.83%
Lack of executive backing	23.91%

It's apparent from our data that many organizations are finding it tough to understand what their customers want and, therefore, how to target them and offer more personalized experiences. Plus, the inability to map journeys and utilize data is further damaging their chances of offering a great CX, as they're not driven by insightful information about their customer's preferences.

This stops them from being able to make informed decisions about their marketing, products, personalization strategy, etc.

Some of the other challenges include insufficient customer feedback (48%), which, again, can affect their understanding of customers and what they expect. Outdated tools are also a problem (44%), which could explain why so many are struggling to collect, organize, manage and utilize data in their favor.

CX challenges by region

Understanding customers
- United States: 64.03%
- United Kingdom: 68.13%

Mapping and analysing the customer journey
- United States: 59.71%
- United Kingdom: 62.64%

Managing and accessing data
- United States: 63.31%
- United Kingdom: 56.04%

Developing a customer-centric mindset
- United States: 62.59%
- United Kingdom: 54.95%

Implementing a multichannel strategy
- United States: 56.83%
- United Kingdom: 58.24%

Insufficient customer feedback
- United States: 48.92%
- United Kingdom: 47.25%

Outdated technology and tools
- United States: 44.60%
- United Kingdom: 43.96%

Cross-departmental silos
- United States: 35.25%
- United Kingdom: 51.65%

Insufficient budget or resources
- United States: 36.69%
- United Kingdom: 39.56%

Lack of executive backing
- United States: 28.06%
- United Kingdom: 17.58%

● United States   ● United Kingdom

Gaps in the organization

There are a few key challenges we haven't addressed yet, namely collaboration and resources across the business. For 42% of teams, cross-departmental silos are holding them back. A further 38% have insufficient budget or resources to be able to get a strong CX strategy in place.

The reason for this is likely down to a lack of support and collaboration from above, and our data proves this. Almost one in four (24%) cited lack of executive backing as one of the biggest challenges they currently face.

This figure was more significant in the US, where 28% feel they're not getting executive backing, compared to 18% of businesses in the UK.

In order for CX efforts to be successful, every member of the business must be onboard, from the very top to the very bottom.

It's clear that in many cases, senior members of staff are less likely to back or sign off on initiatives such as cross-departmental collaboration and personalization strategies. Instead, they blame increasing customer demands for poor retention rates rather than making changes to address this.

More needs to be done from a senior and executive level, and they need to make more of an effort to understand and back these initiatives if they want the organization to start seeing real results.

Over 51% of UK respondents cited **cross-departmental silos as a CX challenge,** compared to just over a third of the US.

The State of Customer
Experience in 2022/23

Data is the key to understanding customers

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CHAPTER 4:

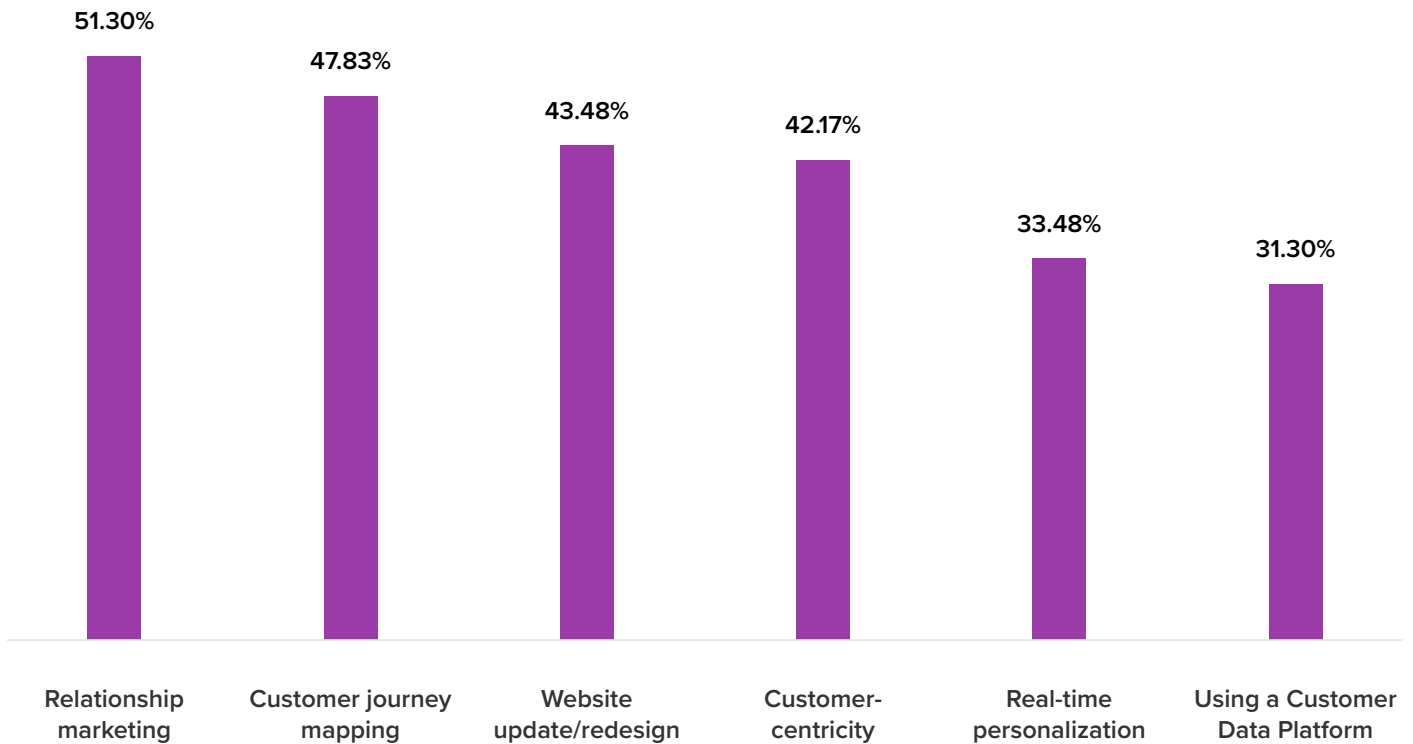# Data is the key to understanding customers

As we've covered, managing and accessing data is one of the top challenges facing 60% of organizations right now. Proving that the need for data is there, it's just understanding how to collect, organize and use it that is the tricky part.

But more than this, 40% of organizations believe that the lack of consolidated data and analytics is what stops them from delivering a seamless CX.

That being said, this number drops to 31% among senior managers, suggesting that this group is less likely to be exploring customer data platforms, preferring instead to focus on issues like web design and relationship marketing.

When it comes to implementing new initiatives, almost one-third (31%) said they intend to invest in using data platforms over the next year.

Which of the following initiatives are you planning to implement this year to improve your CX?

Initiative	Percentage
Relationship marketing	51.30%
Customer journey mapping	47.83%
Website update/redesign	43.48%
Customer-centricity	42.17%
Real-time personalization	33.48%
Using a Customer Data Platform	31.30%

In line with the UK's aim to **better understand their customers,** over 60% of our respondents from this region are planning to implement customer journey mapping to improve their CX.

From these statistics, it's clear that data is important to organizations and that they understand its potential; they just need the right tools to be able to harness and utilize it.

Data leads to 'very good' retention rates

Going even deeper into our findings, we can see that there's a disparity between CX ratings and how data is used for CX success.
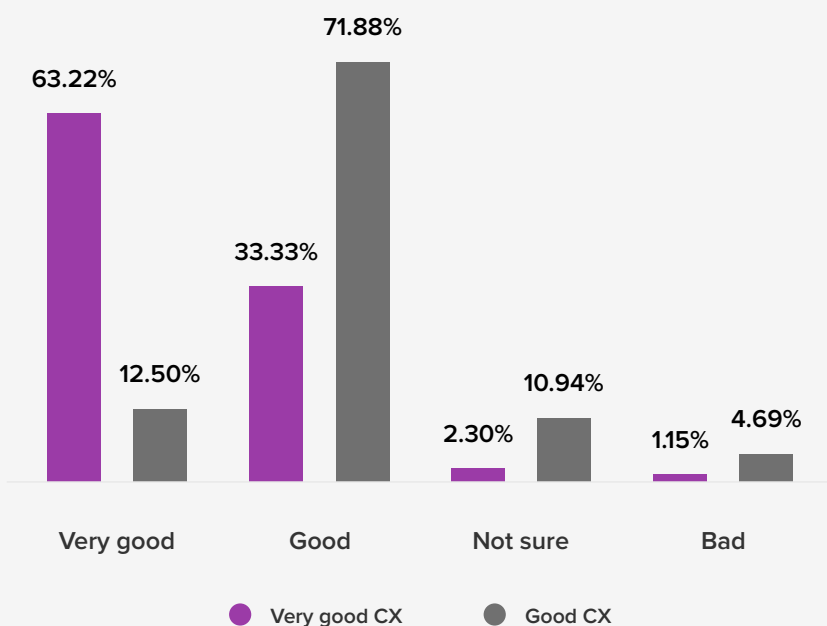
When asked about their ability to **deliver high-quality customer experiences**, 38% of respondents rated their abilities as 'very good', a further 56% as 'good' and 5% were 'unsure'.

How would you rate your organization's ability to deliver high-quality customer experiences?

1.30%
5.22%
37.83%
55.65%

● Very good ● Good ● Not sure ● Bad
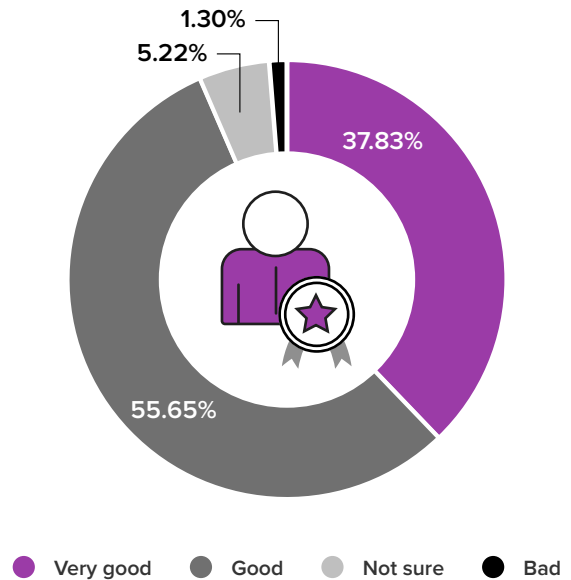
Interestingly, 63% of those who rated their ability to deliver high-quality CX as 'very good' also rated their customer retention levels the same way. Conversely, 72% of those rated as 'good' said their retention levels were also only 'good'.

Customer retention vs CX rating

63.22%
71.88%
33.33%
12.50%
10.94%
2.30%
1.15%
4.69%

Very good   Good   Not sure   Bad

● Very good CX   ● Good CX

"Over one-third (38%) of organizations rate their ability to deliver high-quality customer experiences as 'very good', and a further 56% say it's 'good''. This finding is alarming given that while many during a down economy prioritize bringing in new customers, customer retention is essential to survival and perpetual future growth. Given the report's focus on the high expectations of customers desiring the best possible experience, good simply doesn't cut it. Given that the modern consumer is used to efficient, effective, and personalized experiences like Uber and Airbnb, it's critical that B`2B companies determine the precise factors their ideal audiences deem as important, and incorporate them into their customer experience. Personalization will be key in elevating and differentiating one brand from the next in 2023."
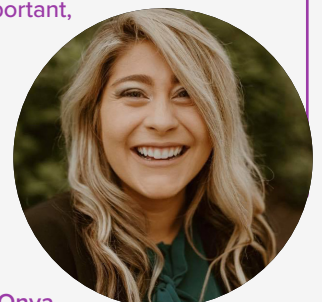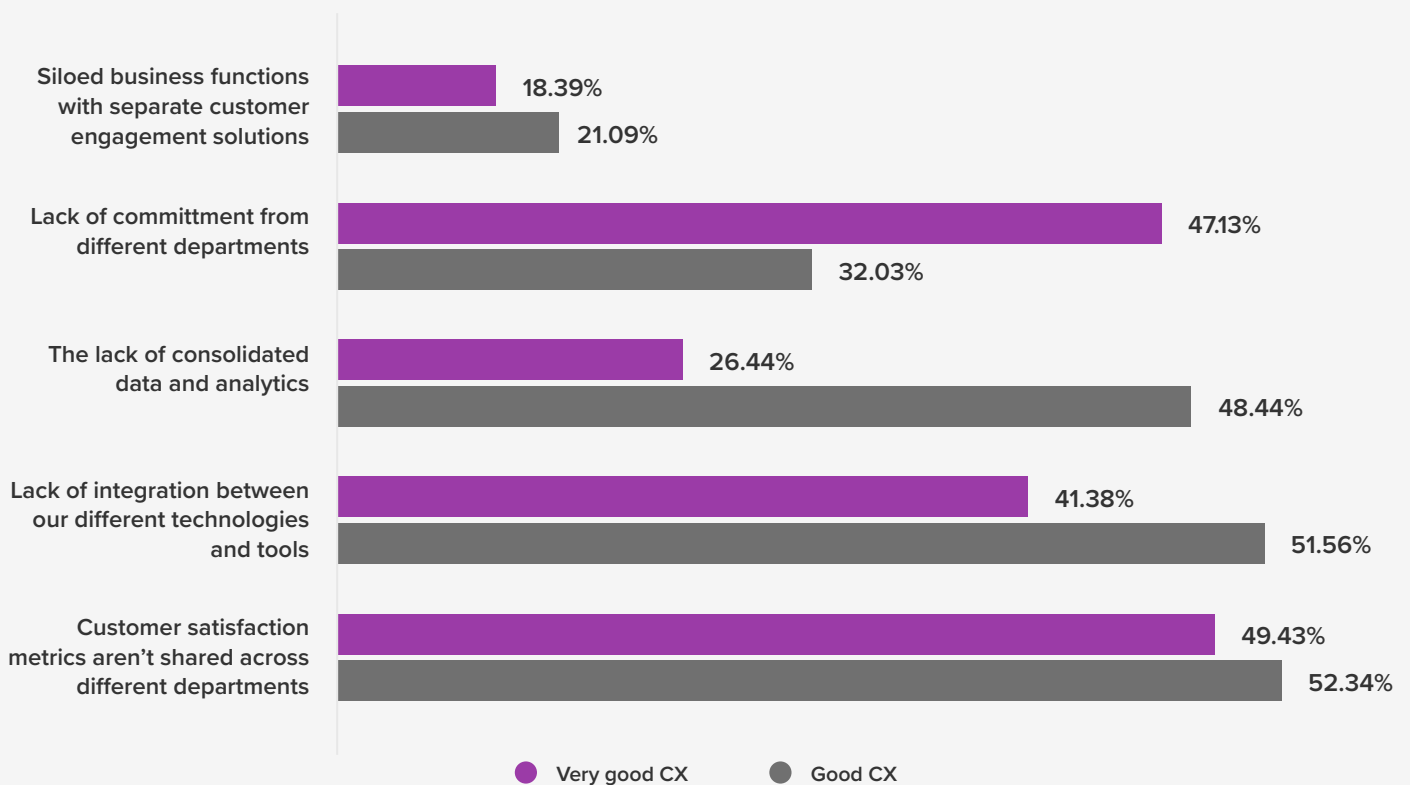
- Ashley Monk, CEO of Onya

What's more, the two groups showed further disparity when it came to their top challenges. Those in the 'very good' category cited customer satisfaction metrics not being shared across different departments (49%) and a lack of commitment from different departments (47%). These departmental silos and lack of collaboration are holding them back.

In contrast, those in the 'good' category cited lack of integration between tools and tech (52%), siloed customer satisfaction metrics (52%) and lack of data and analytics consolidation (48%) as the key issues they were facing.

Which issues are stopping you from delivering a seamless experience vs CX rating

Issue	Very good CX	Good CX
Siloed business functions with separate customer engagement solutions	18.39%	21.09%
Lack of committment from different departments	47.13%	32.03%
The lack of consolidated data and analytics	26.44%	48.44%
Lack of integration between our different technologies and tools	41.38%	51.56%
Customer satisfaction metrics aren't shared across different departments	49.43%	52.34%

● Very good CX   ● Good CX

Clearly, data is key here. Perhaps the 'very good' portion still has some way to go in terms of internal communication and promoting collaboration, but they're already seeing results in terms of data collection and analytics.

The final difference we can see is that the 'very good' portion of the survey is more likely to implement customer data platforms (CDPs) and customer-centricity over the coming year, while the 'good' category is still trying to get to grips with customer journey mapping, real-time personalization and website updates/redesigns.

The State of Customer
Experience in 2022/23

Digital channel effectiveness

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CHAPTER 5:
Digital channel effectiveness

A huge part of offering the best possible customer experience is keeping the lines of communication firmly open; be that customers getting in touch with queries or brands reaching out with relevant and personalized content.

However, there was a time when this customer service could only be conducted in-person, over the phone and eventually by email. But since the digital revolution, consumers now expect an omnichannel approach to communication.

From phone and email to social media and live chats, there are many ways that businesses and customers can converse.

When it comes to interacting with customers, email and phone are still very much the big players, at 71% and 60% respectively. However, organizations also rely on social media (44%), video calls (29%), and live chats (27%) as the top digital channels for interacting with customers.

Which digital channel(s) did you (or your team) use the most to interact with customers in 2021?

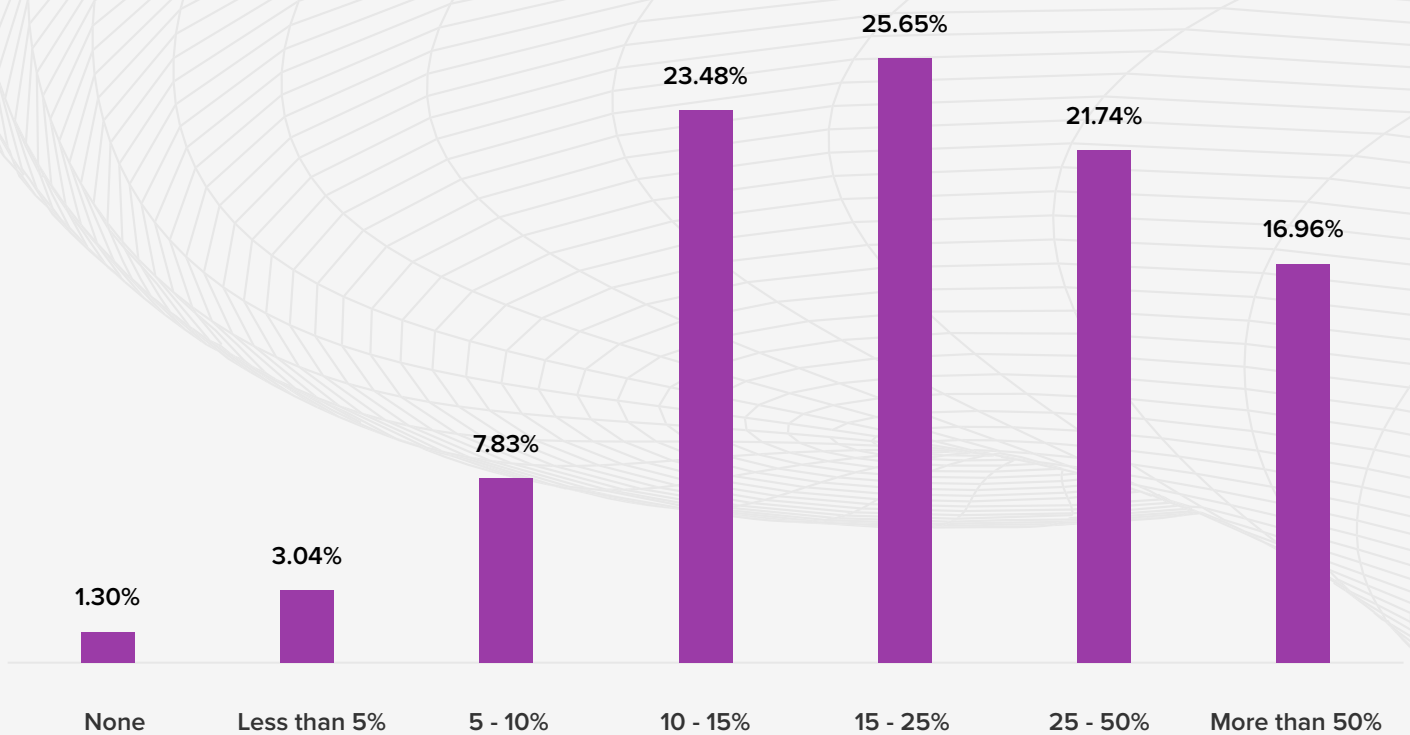| Email	Phone	Social media	Video call	Live chat	Chatbot
70.87%	60.43%	43.91%	29.13%	27.39%	6.96%
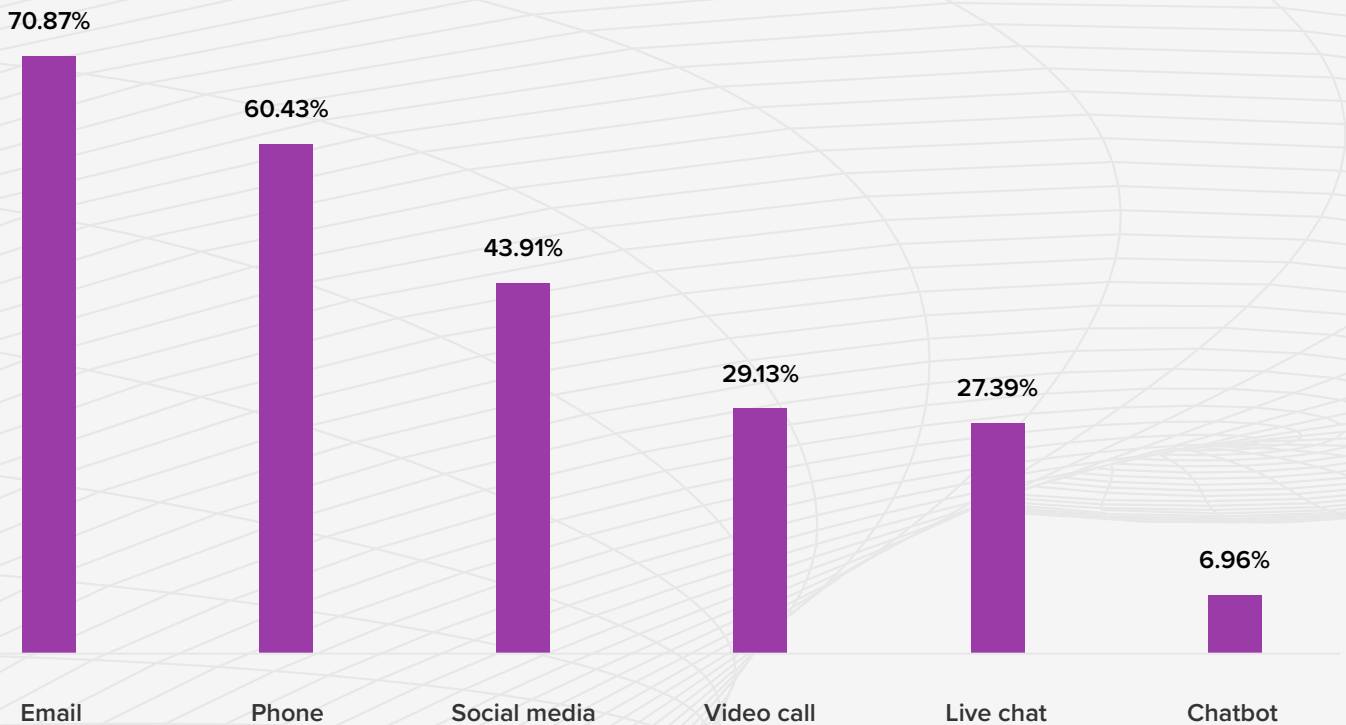
Are these channels working?

Having these channels in place is all well and good, but are they proving effective for organizations? According to our data, almost one in four (24%) say that only 10-15% of their channels are effective, while the majority say this is between 15-25%.

A further 22% revealed that 25-50% of their channels were effective, followed by just 17% who say they believed more than half of their channels to be effective.

The data shows that more time and investment in these digital channels is needed if organizations hope to see their effectiveness increase over the coming year. When asked which channels they plan to invest in over the next 12 months, email (61%) and social media (49%) came top of this list.

This was followed by phone (47%), live chat (38%) and video calls (33%).

What % of your digital channels are effective?
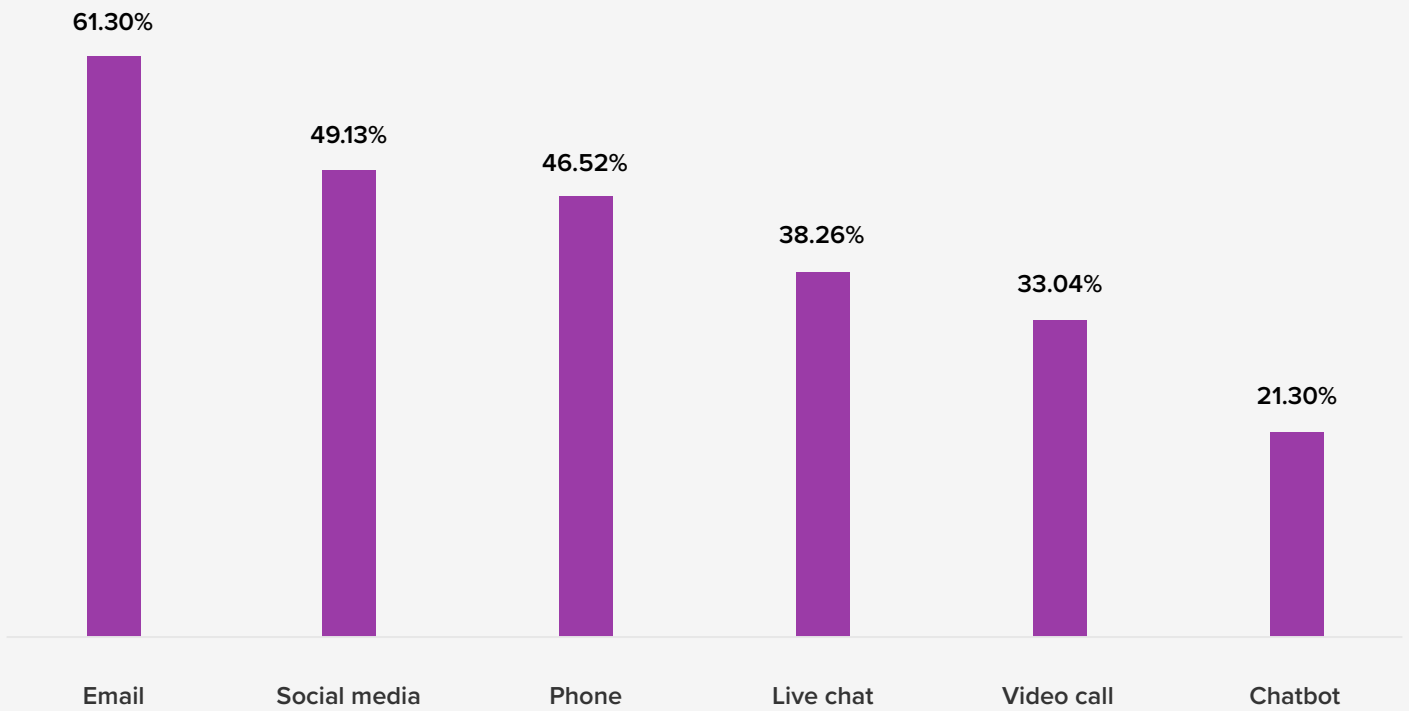
None	Less than 5%	5 - 10%	10 - 15%	15 - 25%	25 - 50%	More than 50%
1.30%	3.04%	7.83%	23.48%	25.65%	21.74%	16.96%

Despite email remaining king, there has been an explosion in the importance of digital tools like social media, video and live chats, particularly since the pandemic. This is more true for UK businesses, with over half (52%) saying that social media was their most used tool, compared to just 39% in the US.

Instead, it's clear that those in the US prefer to speak with a customer service representative, as the phone was the most popular channel for 67% of organizations compared to 51% in the UK.

Which channels do you (or your team) plan to use in the next 12 months?

| Channel	Percentage
Email	61.30%
Social media	49.13%
Phone	46.52%
Live chat	38.26%
Video call	33.04%
Chatbot	21.30%

Over the coming months, respondents in the US plan to continue their efforts with email (67%) and phone (50%), whereas their UK counterparts will focus more on email (52%), social media (51%) and live chats (46%).

Digital channel usage in 2021 vs region

- United States
- United Kingdom
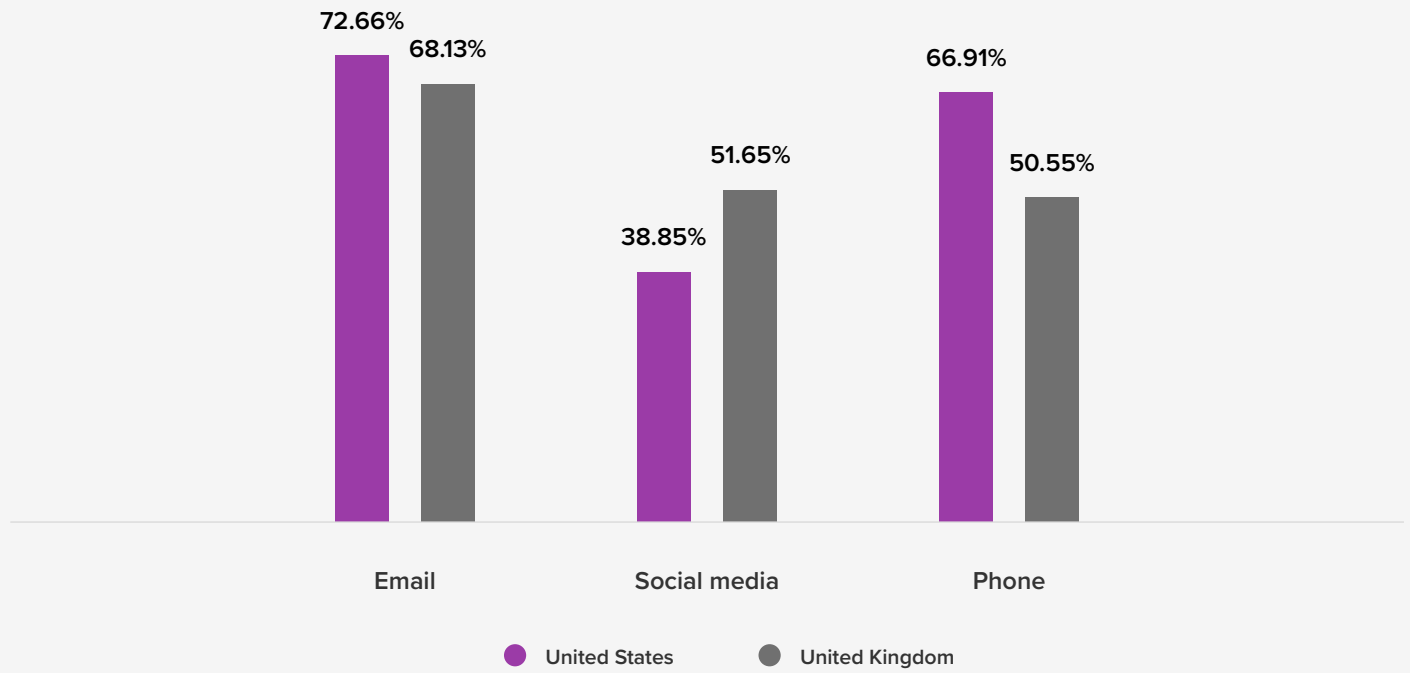
Digital channel plans vs region

- United States
- United Kingdom
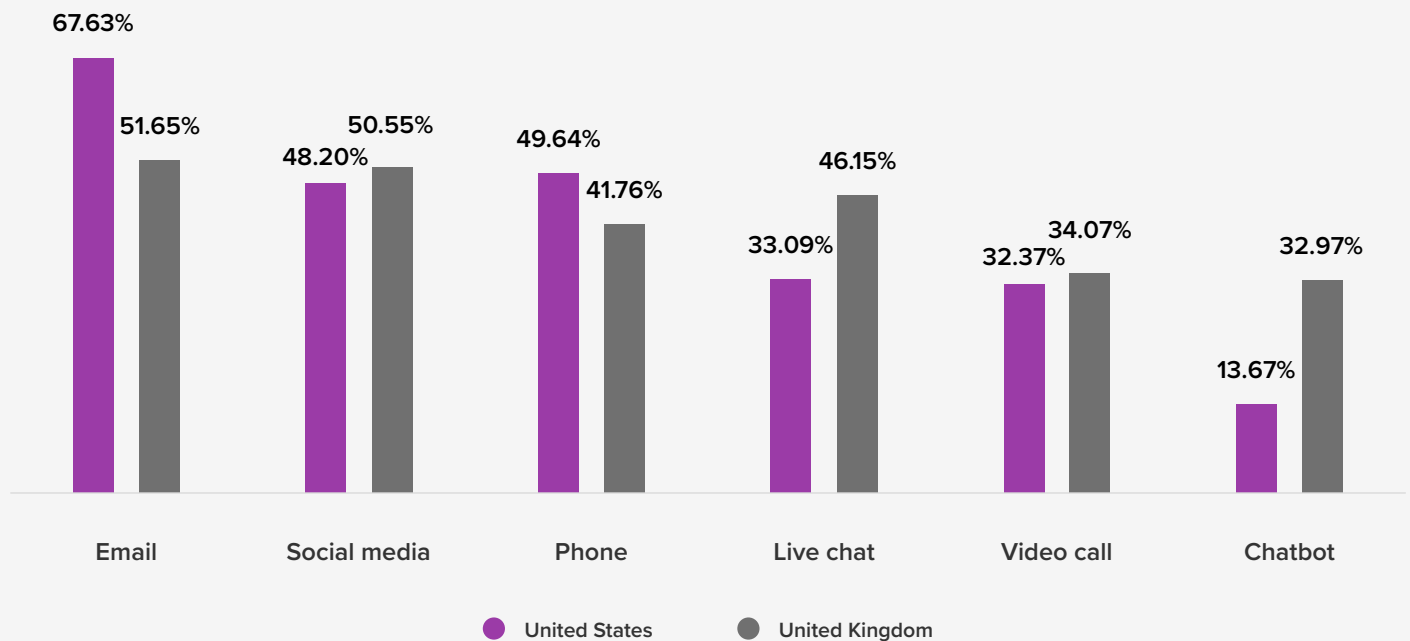
Is channel optimization the key to improved CX?

If we look once again at those who categorized their abilities to meet customer expectations as 'very good', over one in four (29%) of those organizations say that more than 50% of their digital channels are effective.

This is almost three times higher than those who deemed their abilities as 'good' at just 9%. This begs the question – is channel optimization the key to improved CX?

Digital channel effectiveness vs CX rating

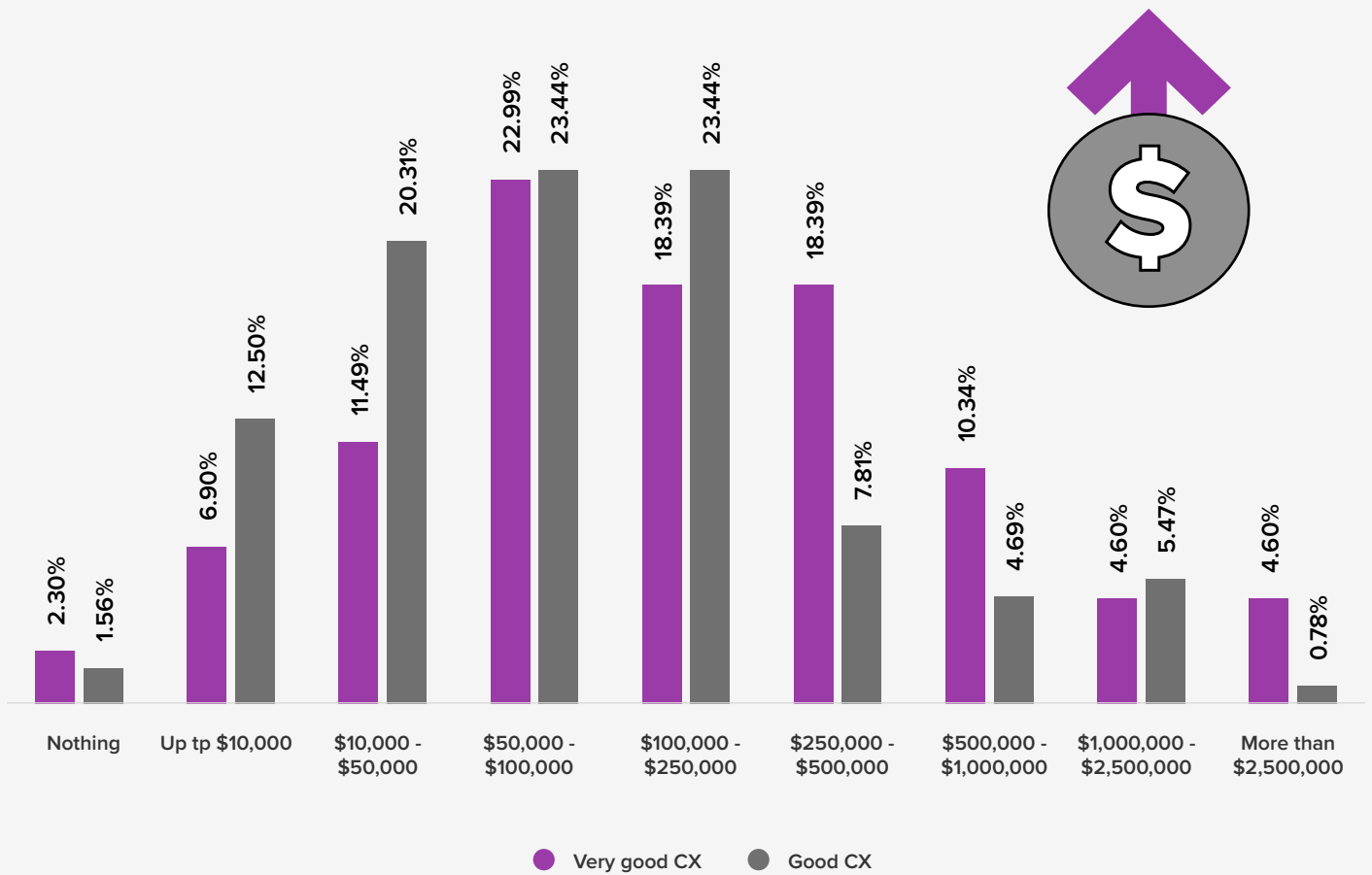|	None	Less than 5%	5 - 10%	10 - 15%	15 - 25%	25 - 50%	More than 50%
Very good CX	2.30%	0.00%	6.90%	16.09%	20.69%	25.29%	28.74%
Good CX	0.78%	4.69%	8.59%	28.91%	26.56%	21.09%	9.38%

● Very good CX   ● Good CX

This is also reflected in the amount of capital that these organizations plan to invest in monitoring and improving customer experience across all digital channels.

Almost one in five (18%) of those businesses in the 'very good' CX category are willing to invest between $250,000 - $500,000, compared to just 8% of those deemed 'good'.

The majority of 'good' organizations plan to spend somewhere between $50,000 - $100,000 (23%) or $100,000 - $250,000 (23%) on monitoring and improving customer experience across all digital channels over the next year. In comparison, those in the 'very good' category plan to spend significantly more.

CX spend vs CX rating

	Nothing	Up tp $10,000	$10,000 - $50,000	$50,000 - $100,000	$100,000 - $250,000	$250,000 - $500,000	$500,000 - $1,000,000	$1,000,000 - $2,500,000	More than $2,500,000
Very good CX	2.30%	6.90%	11.49%	22.99%	18.39%	18.39%	10.34%	4.60%	4.60%
Good CX	1.56%	12.50%	20.31%	23.44%	23.44%	7.81%	4.69%	5.47%	0.78%

● Very good CX   ● Good CX

The State of Customer
Experience in 2022/23

Improving customer service and agent performance

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CHAPTER 6:

Improving customer service and agent performance

Among changing consumer trends is a drastic waning of patience. A recent study found that consumers are 39% less patient now than before the pandemic.

In the era of smartphones and Amazon Prime, we rarely have to wait for anything anymore. This means that people increasingly want instant results.

This applies to customer service as well, with the same study revealing that less than one-third (30%) of consumers are willing to wait more than two minutes to speak with an agent on a customer chat, and 43% claiming that long wait times are the most frustrating part of customer service.

So, in order to keep up with customer expectations when it comes to customer service and agent performance, organizations must continually improve their performance. This is vital for offering a great CX and retaining customers to get the most value from them.

When asked how confident they were in their abilities to meet customer expectations, 23% of our respondents said they were 'very confident'. The majority (57%), however, were 'fairly' confident, and one in 10 (10%) were neither confident nor unconfident.

How confident are you in your customer service agents in meeting (or exceeding) customer expectations?

- ● Very confident
- ● Fairly confident
- ● Neither
- ● Not confident
- ● Not at all confident

0.87%
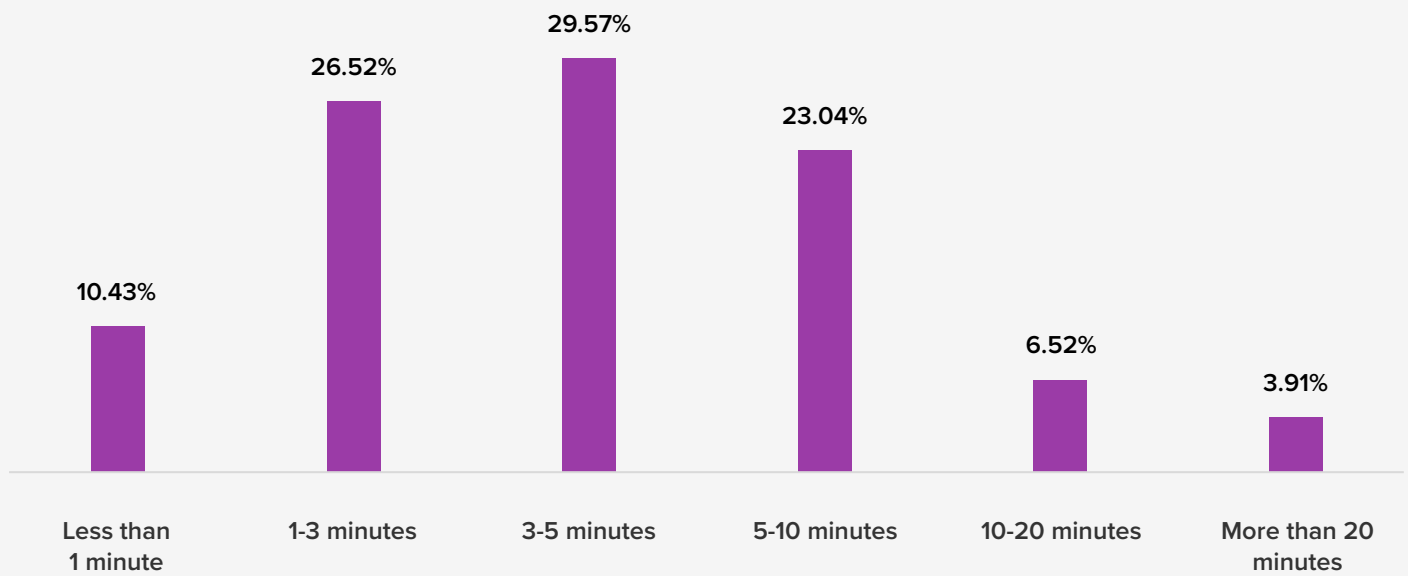
8.70%

10.43%

23.04%

56.96%
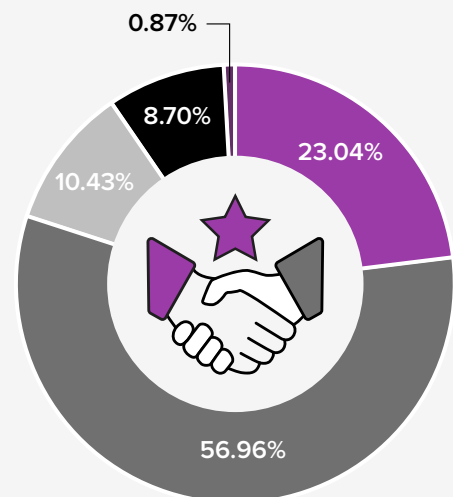
The number of those who were 'very confident' in their abilities increased to an impressive 49% among those who rated their ability to meet customer expectations as 'very good'. Compare that to just 8% of those in the 'good' category, and this is very telling – it's clear that this group is very confident in its ability to meet and exceed customer expectations.

Agent performance and waiting times

Let's look in more detail at the average waiting time for customer service agents. As the aforementioned study suggests that two minutes is too long for most consumers to wait for a response, our own data is concerning.

When asked about the typical waiting time for a response from an agent, one in 10 (10%) said less than a minute, a further 27% said 1-3 minutes, but the majority said 3-5 minutes waiting time.

What's more worrying is that almost one in four (23%) could leave customers waiting between 5-10 minutes to talk with an agent.

| Less than 1 minute	1-3 minutes	3-5 minutes	5-10 minutes	10-20 minutes	More than 20 minutes
10.43%	26.52%	29.57%	23.04%	6.52%	3.91%

Very Good CX customers are **three times** as likely to have to wait less than a minute for an agent response than Good CX customers.

But it's not all bad news; most organizations have recognized the need to speed up these interactions and intend to do in the next year. They plan to reduce waiting times by prioritizing customer requests (61%), building a customer service knowledge base (60%) and building (or optimizing) AI chatbots to deal with customer queries and complaints (55%).

This was followed by having all the relevant information about the customer (50%), suggesting that training, data and the right tools are going to play a vital role in an organization's ability to cut waiting times and deal with customers quicker.

How do you plan to reduce your waiting times?

60.87%	60.00%	54.78%	50.00%	40.00%	34.35%
Prioritizing customer requests	Building a customer service knowledge base	Building (or optimizing) AI chatbots to deal with customer queries and complaints	Having all the relevant information about the customer	Implementing a queue management system	Hiring more customer agents
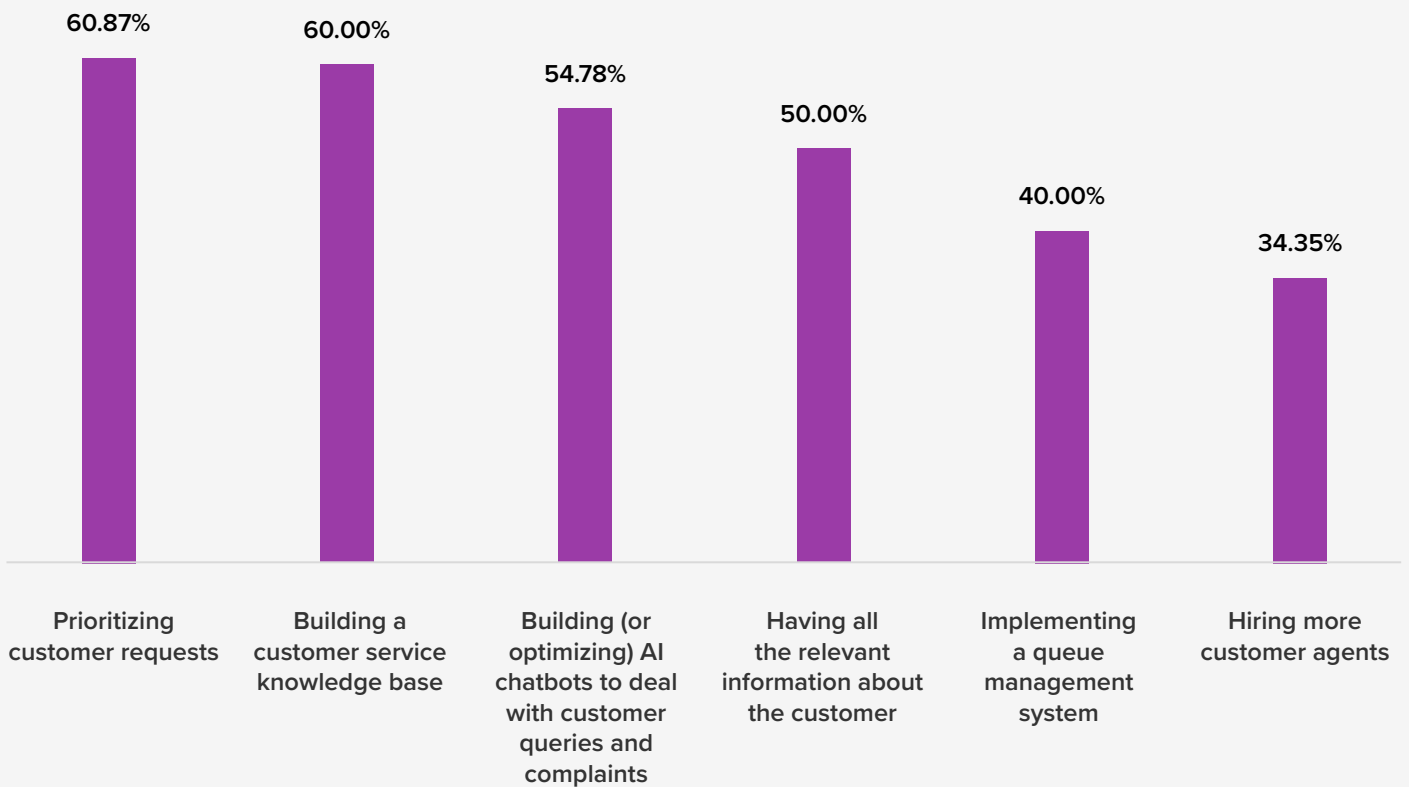
With the need for training very apparent, many are prepared to invest generously in staff development over the next year. One in 10 (10%) plan to spend up to $10,000, while the majority (25%) are looking at between $10,000 - $50,000.

A further 19% are prepared to spend between $50,000 - $100,000 and 17% as much as $250,000.

How much are you prepared to spend on staff training in order to reduce wait times and improve overall service?

Nothing	Up tp $10,000	$10,000 - $50,000	$50,000 - $100,000	$100,000 - $250,000	$250,000 - $500,000	$500,000 - $1,000,000	$1,000,000 - $2,500,000	More than $2,500,000
3.04%	9.57%	24.78%	19.13%	16.52%	14.35%	7.83%	2.17%	2.61%
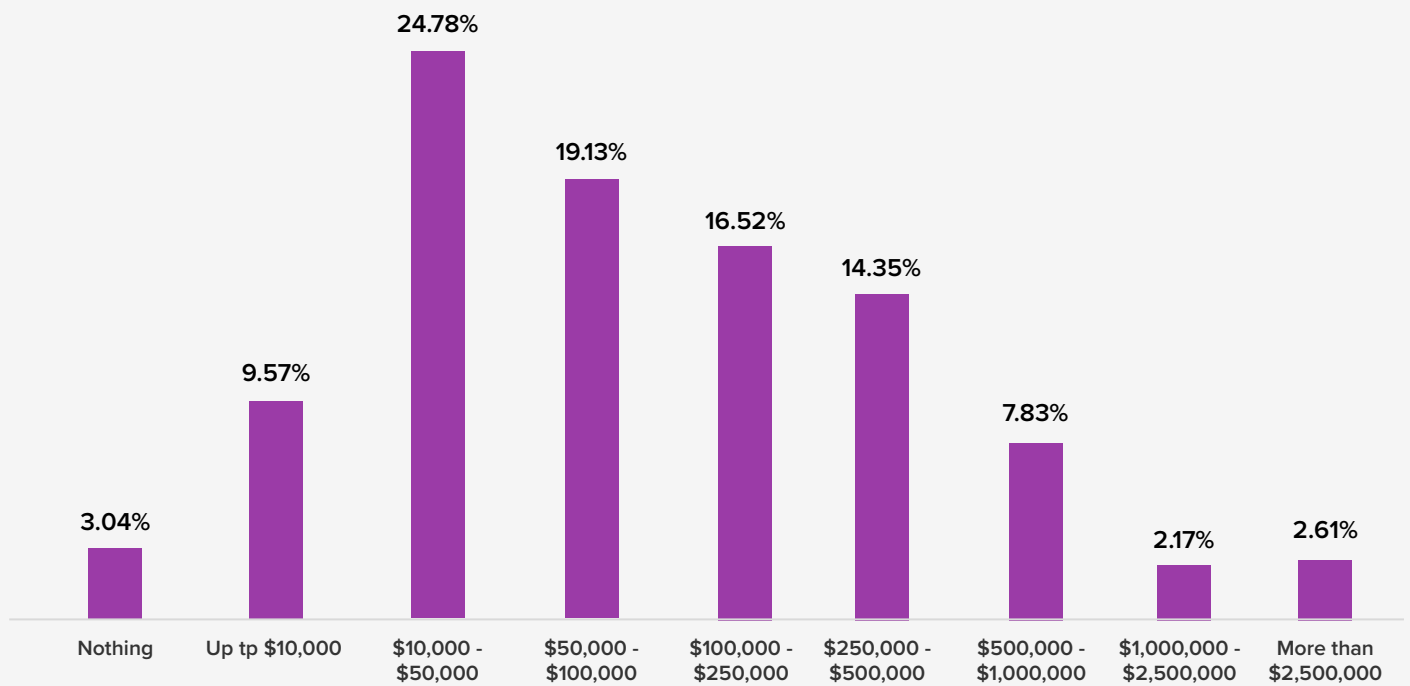
How do organizations measure success?

The only way to know if your new strategies are working and if your business is seeing real improvement is to set KPIs and track metrics. There are some very specific ways in which organizations measure how well their performing in terms of CX, and these are using metrics such as Customer Satisfaction (60%), Customer Retention Rates (51%) and Customer Lifetime Value (36%).

Which metrics are you using to measure overall CX?

Metric	Percentage
Customer Satisfaction (CSAT)	60.43%
Customer Retention Rate	50.87%
Customer Lifetime Value (CLV)	36.09%
Net Promoter Score (NPS)	31.74%
First Contact Resolution (FCR)	26.96%
Customer Effort Score (CES)	25.65%
Average Resolution Time (ART)	17.39%
Customer Churn Rate	16.52%
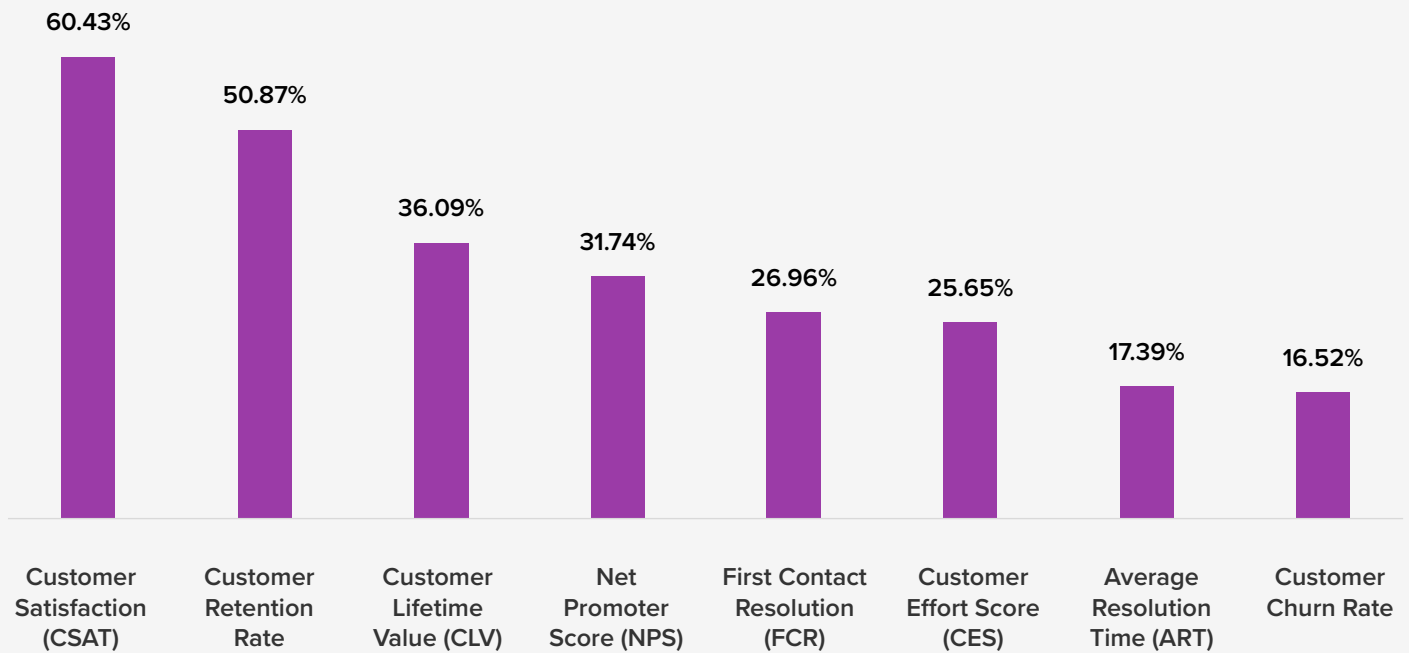
These are not the only metrics used, as you can see from the graph. Having solid metrics in which to measure CX enables your teams to look for growth and see which areas are improving the most. This way, they can make smarter business decisions and continue to improve customer experience.

The State of Customer
Experience in 2022/23
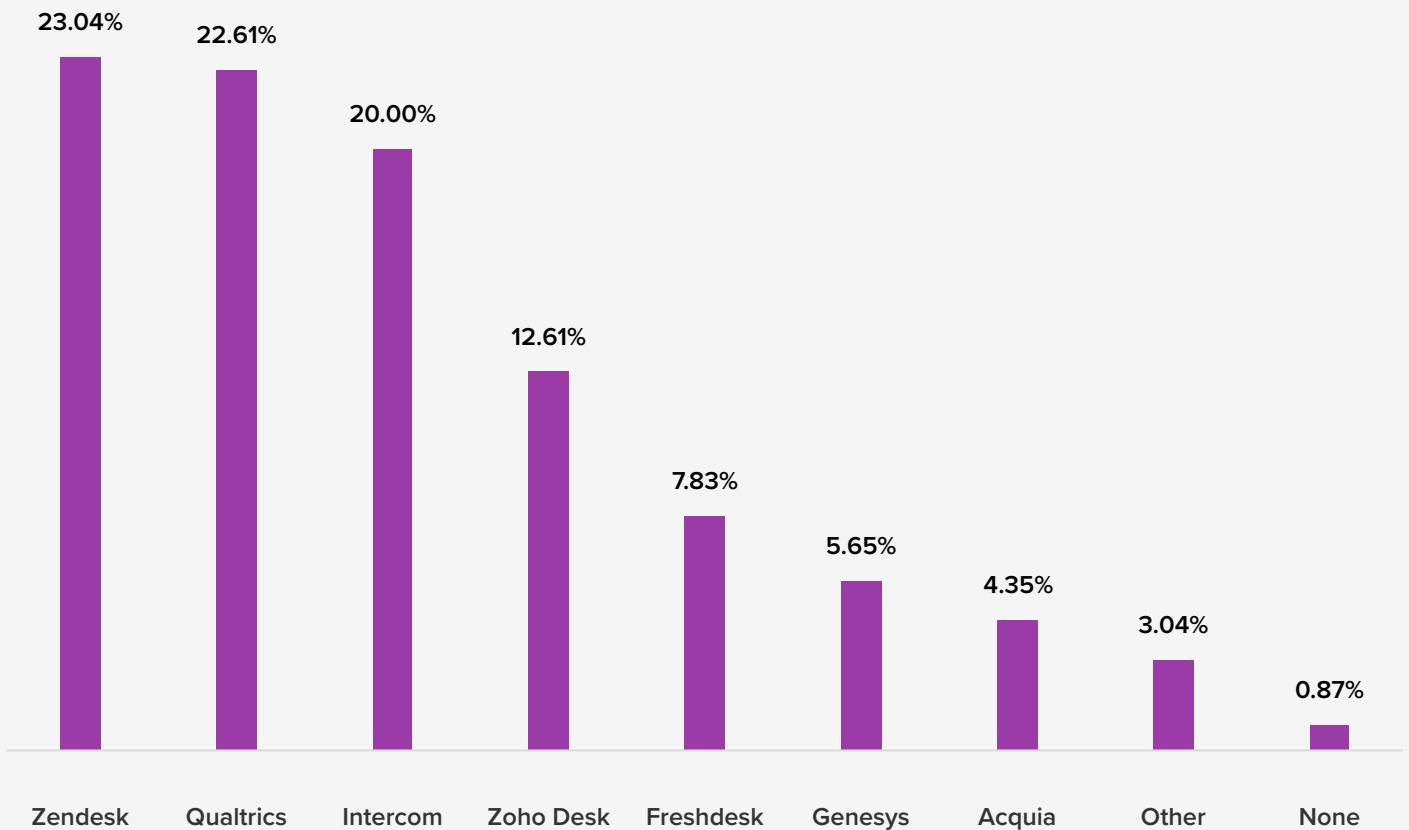
Assessing your CX solutions

7

CHAPTER 7:

Assessing your CX solutions

If organizations want to effectively utilize data as well as manage their CX strategies, they need the right tools to do so. There are many CX solutions out there that make it possible to collect customer data and feedback in order to optimize sales, marketing and customer retention rates.

To better understand how CX solutions can help improve the customer experience, our survey sought to uncover some of the most popular vendors. The top three were Zendesk (23%), Qualtrics (23%) and Intercom (20%).

Other CX vendors included Zoho Desk (13%), Freshdesk (8%) and Genesys (6%).

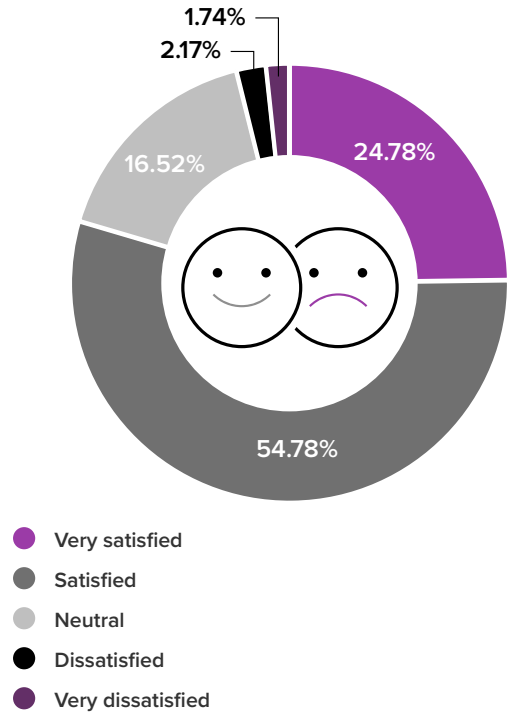## Which CX vendor do you currently use?

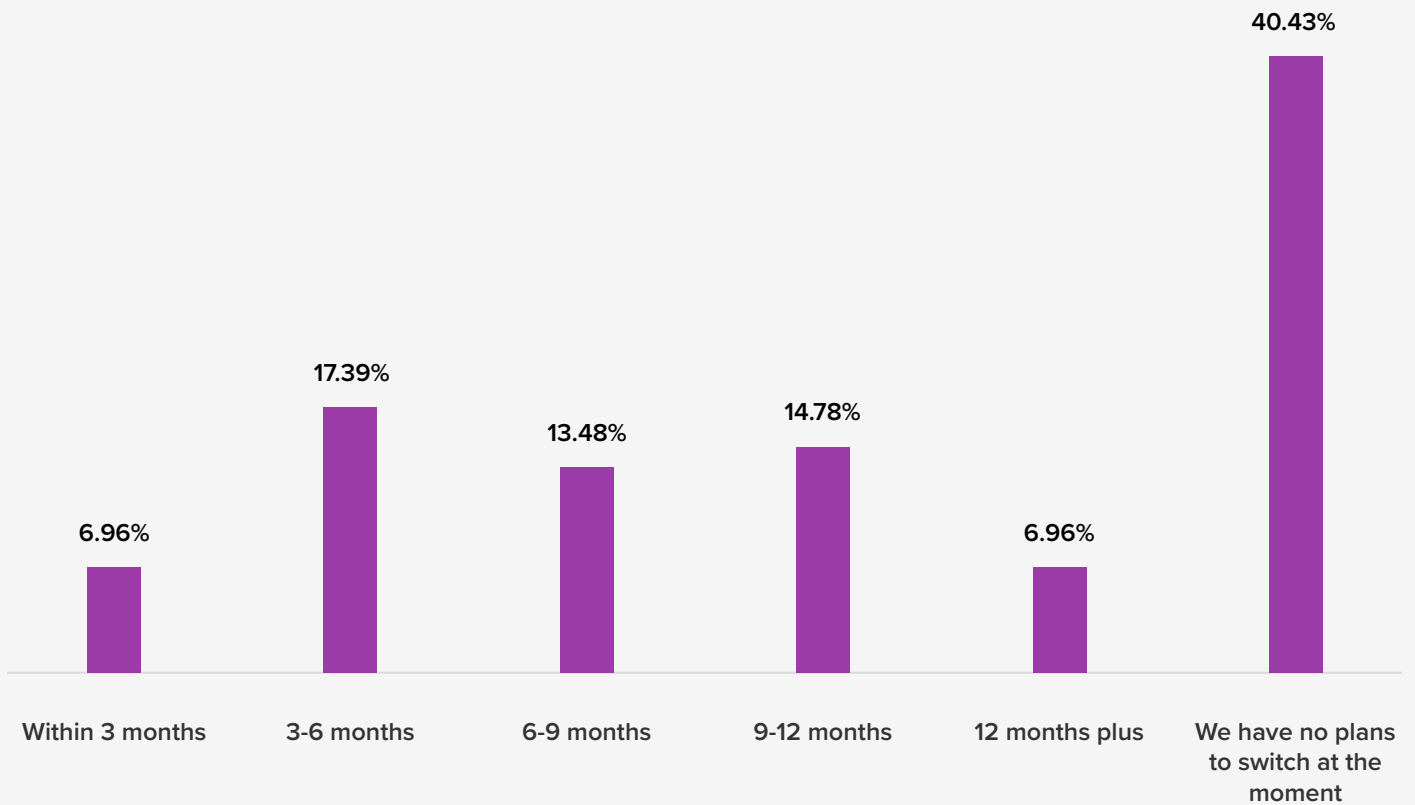| Vendor	Percentage
Zendesk	23.04%
Qualtrics	22.61%
Intercom	20.00%
Zoho Desk	12.61%
Freshdesk	7.83%
Genesys	5.65%
Acquia	4.35%
Other	3.04%
None	0.87%

Currently, 25% of organizations are 'very satisfied' with their current CX platform, 55% are 'satisfied' and 17% are 'neutral'. This is perhaps why our data also shows that 40% of organizations have no intention of switching vendors.

How satisfied are you with your current platform?

1.74%
2.17%
16.52%
24.78%
54.78%

- Very satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied

When are you planning to switch to a new platform?

Within 3 months	3-6 months	6-9 months	9-12 months	12 months plus	We have no plans to switch at the moment
6.96%	17.39%	13.48%	14.78%	6.96%	40.43%

That being said, of those that aren't completely happy with their current vendor, 17% plan to switch to a new CX platform within 3 to 6 months, 13% in 6 to 9 months and a further 15% in 9 to 12 months.

Top 3 reasons for switching vendors

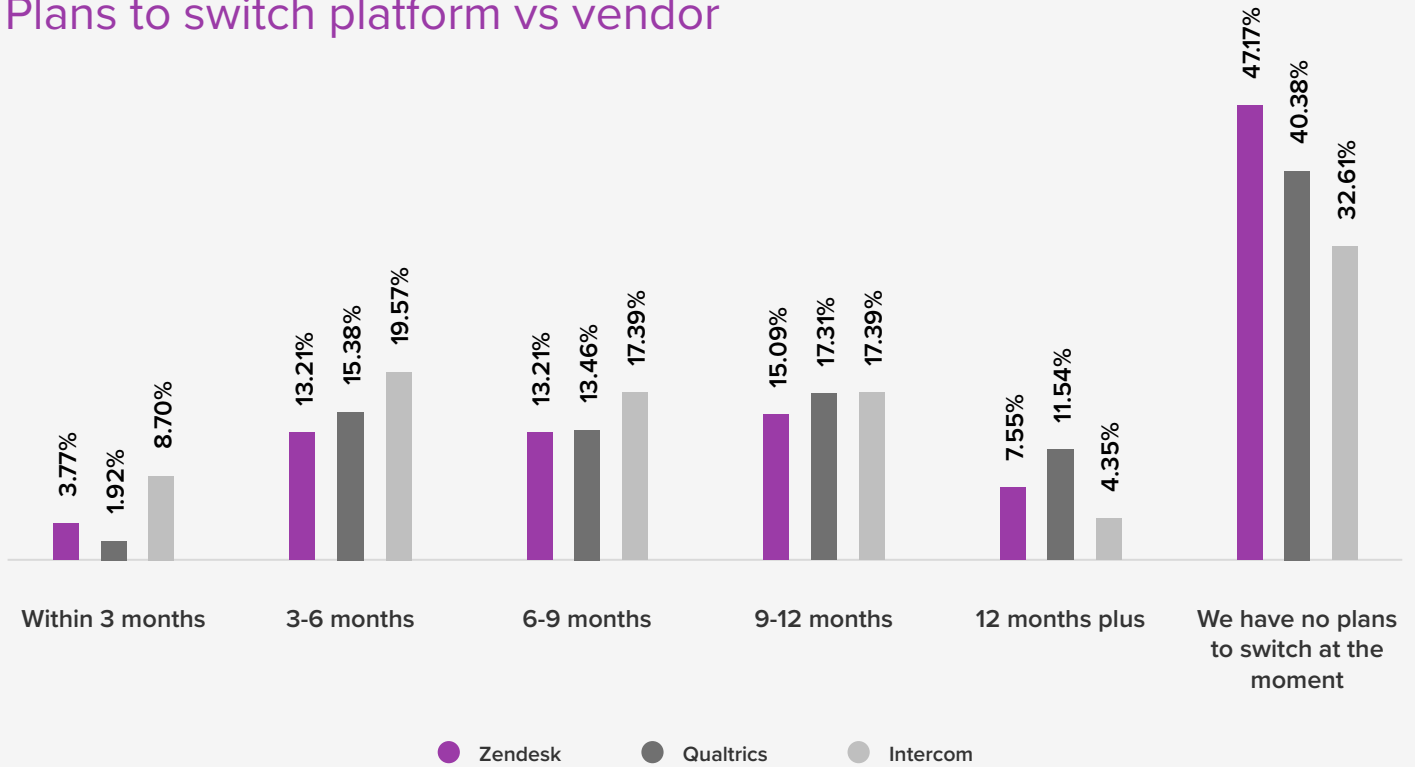|				
79.71%	**75.36%**	**60.14%**	**42.75%**	**42.03%**
We need access to more features	We need a solution that's tailored to our specific needs	We need an all-in-one platform that seamlessly integrates with other tools	We're not getting value for money	Overall usability is poor

For 80% of organizations, the top reason for wanting to change CX vendors is because they need access to more features. Some of the other top reasons include needing a solution that is tailored to their specific needs (75%), needing an all-in-one platform that seamlessly integrates with other tools (60%) and not getting value for money (43%).
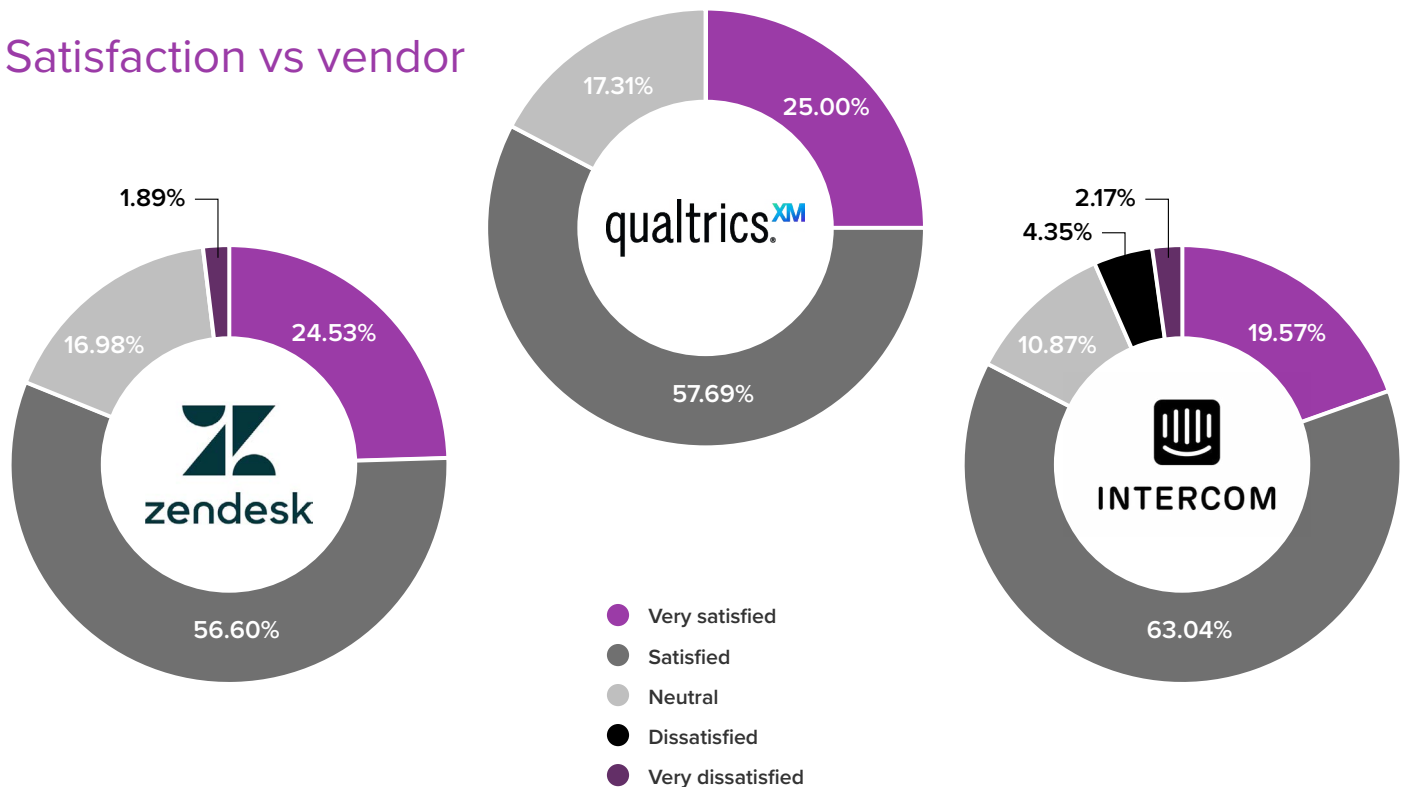
CX vendors

Looking at our top 3 vendors, Zendesk has proved to be the most popular CX solution, with 47% of users saying they have no intention of switching from the current platform. What's more, 40% of Qualtrics users plan on sticking around, as do 33% of Intercom users.

Plans to switch platform vs vendor

Grouped bar chart showing plans to switch by vendor (Zendesk, Qualtrics, Intercom):

	Zendesk	Qualtrics	Intercom
Within 3 months	3.77%	1.92%	8.70%
3-6 months	13.21%	15.38%	19.57%
6-9 months	13.21%	13.46%	17.39%
9-12 months	15.09%	17.31%	17.39%
12 months plus	7.55%	11.54%	4.35%
We have no plans to switch at the moment	47.17%	40.38%	32.61%

● Zendesk   ● Qualtrics   ● Intercom

One in four (25%) Qualtrics users are 'very satisfied' 'with the platform, and the same applies to Zendesk (25%). One in five Intercom users (20%) were also 'very satisfied' with the service.

Satisfaction vs vendor

zendesk donut chart:
- 24.53% Very satisfied
- 56.60% Satisfied
- 16.98% Neutral
- 1.89% Very dissatisfied

qualtrics XM donut chart:
- 25.00% Very satisfied
- 57.69% Satisfied
- 17.31% Neutral

INTERCOM donut chart:
- 19.57% Very satisfied
- 63.04% Satisfied
- 10.87% Neutral
- 4.35% Dissatisfied
- 2.17% Very dissatisfied

● Very satisfied
● Satisfied
● Neutral
● Dissatisfied
● Very dissatisfied

Looking at the reasons why users might choose to leave their current provider, it becomes apparent that access to more features and tailored solutions are the key. However, Intercom, Zendesk, and Qualtrics are all good value for money, easy to use and offer an all-in-one platform that seamlessly integrates with other tools.

Based on this data, as well as findings from the rest of our report, it's clear that there are certain features organizations want from their CX platforms. So, for vendors hoping to perform as well as Intercom, Zendesk and Qualtrics, they need to offer:

Flexibility and scalability

Live chat functionality

Analytics and reporting

Meaningful touchpoints

Omnichannel experiences

Easy deployment

Ability to integrate with other tools

The State of Customer
Experience in 2022/23
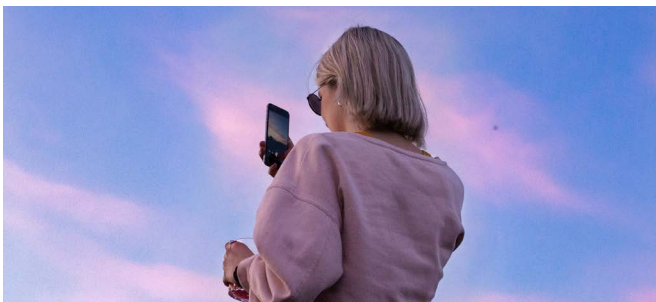
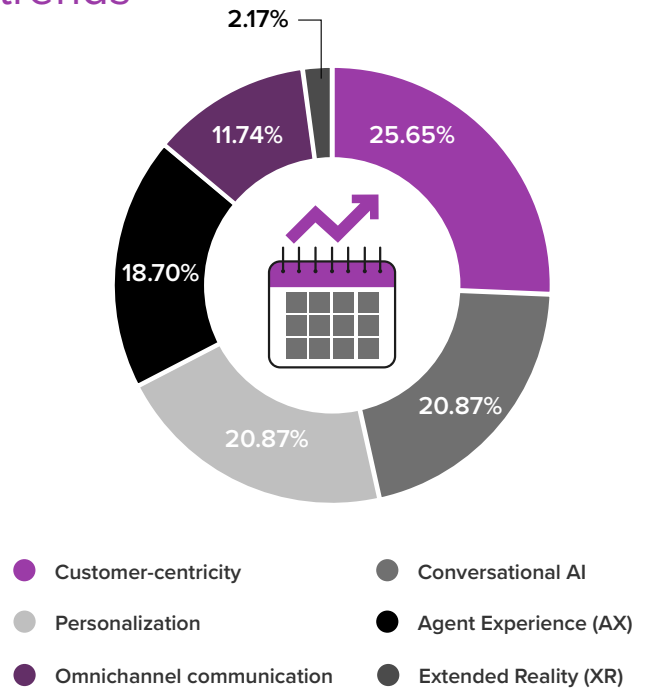# Looking to
the future

8

CHAPTER 8:

Looking to the future

Our data shows that customer-centricity (26%), conversational AI (21%), personalization (21%) and agent experience (19%) will have the biggest impact on customer service trends in the coming year.

This is perhaps why the majority of organizations (51%) intend to implement relationship marketing initiatives over the next 12 months. This was followed closely by customer journey mapping (48%), website update/redesign (43%) and customer-centricity (42%). Real-time personalization (33%) and Customer Data Platforms (31%) are also high on the list.

The biggest customer service trends

- 2.17%
- 11.74%
- 25.65%
- 18.70%
- 20.87%
- 20.87%

- 🟣 Customer-centricity
- ⚫ Conversational AI
- ⚪ Personalization
- ⚫ Agent Experience (AX)
- 🟣 Omnichannel communication
- ⚫ Extended Reality (XR)

Which of the following initiatives are you planning to implement this year to improve your CX?

51.30%
Relationship marketing

47.83%
Customer journey mapping

43.48%
Website update/redesign

42.17%
Customer-centricity

33.48%
Real-time personalization
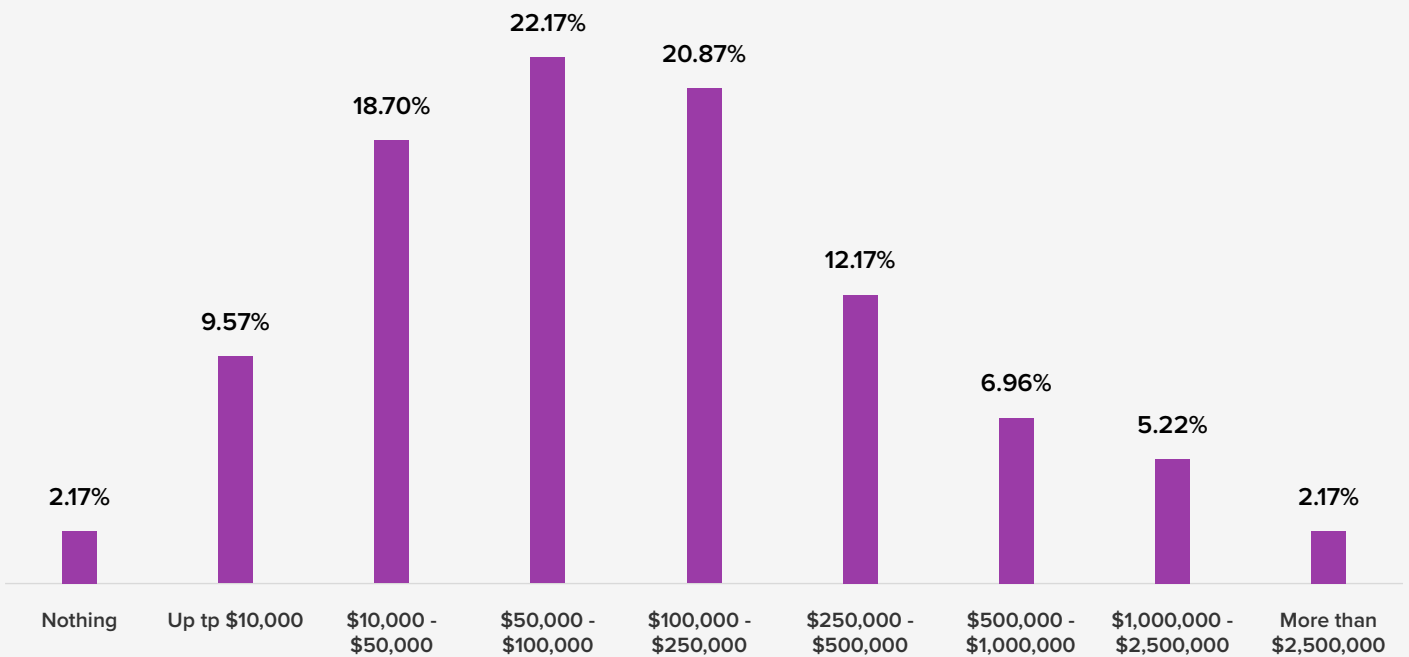
31.30%
Using a Customer Data Platform
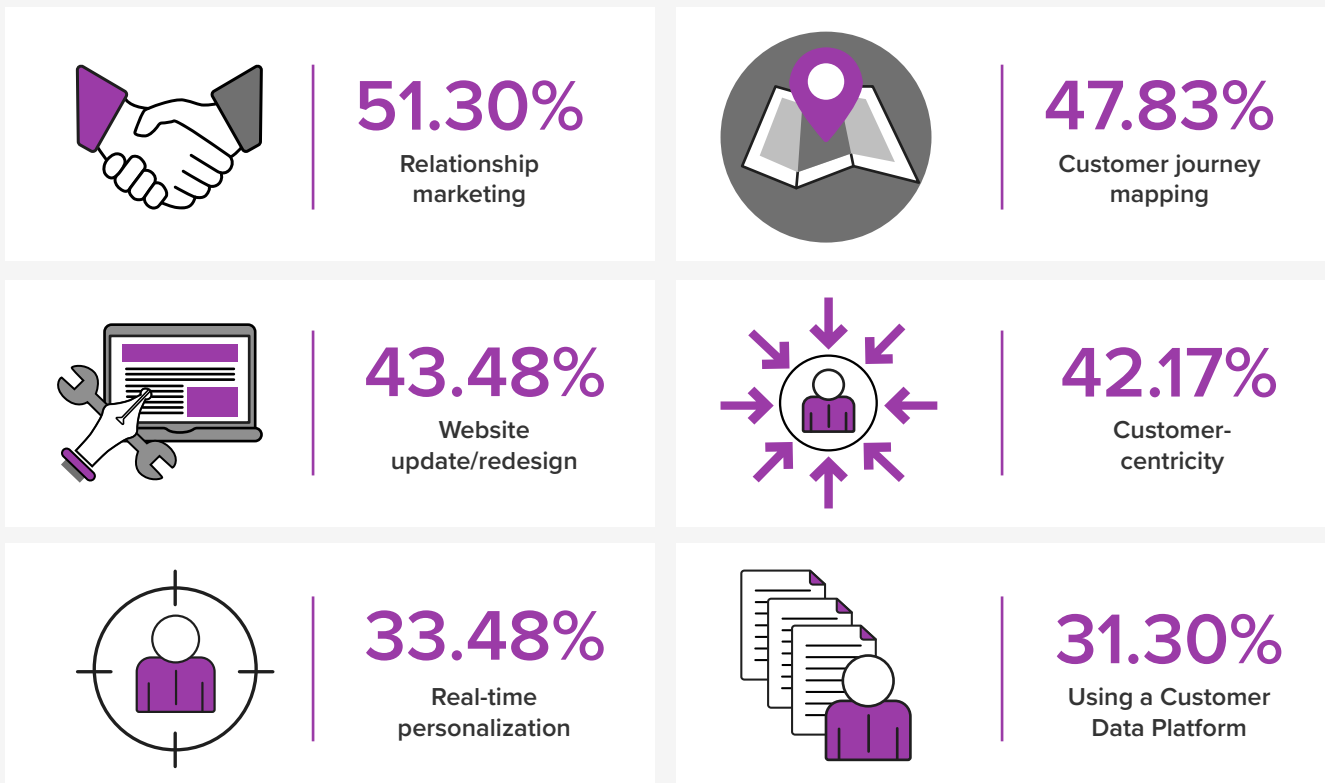
As well as implementing new initiatives, it's clear that businesses intend to ramp up their CX efforts with some serious investment this year.

> In fact, 19% plan to invest **$10,000 - $50,000** in monitoring and improving customer experience across all of their digital channels.

A further 22% will spend between $50,000 - $100,000 and 21% anywhere between $100,000 - $250,000.

How much do you plan to invest in monitoring and improving customer experience across all of your digital channels?

Category	Percentage
Nothing	2.17%
Up tp $10,000	9.57%
$10,000 - $50,000	18.70%
$50,000 - $100,000	22.17%
$100,000 - $250,000	20.87%
$250,000 - $500,000	12.17%
$500,000 - $1,000,000	6.96%
$1,000,000 - $2,500,000	5.22%
More than $2,500,000	2.17%

What does this mean for the future of CX?

As the wheel of change keeps turning and customer expectations continue to grow, CX is going to be the linchpin of customer relationships and retention.

All future CX programs will need to be holistic, predictive and precise, as well as being clearly tied to business goals. This will be crucial to the overall success of any organization.

Conclusion

Offering a great customer experience is no longer optional. With customer demands on the rise, organizations must meet expectations if they hope to stay competitive. Though technology offers plenty of opportunities for great CX, organizations are facing a series of challenges, such as understanding customers and managing data effectively.

It's good to see that most businesses are able to recognize the areas where they fall down in terms of customer retention and intend to invest heavily in addressing these and other important digital channels over the next 12 months.

Using key metrics, organizations can monitor whether changing trends and increased investment in new tools and platforms are working to boost their CX. This data will be vital for the CX of the future, which, as we said above, must be holistic, flexible and tied to larger business outcomes.
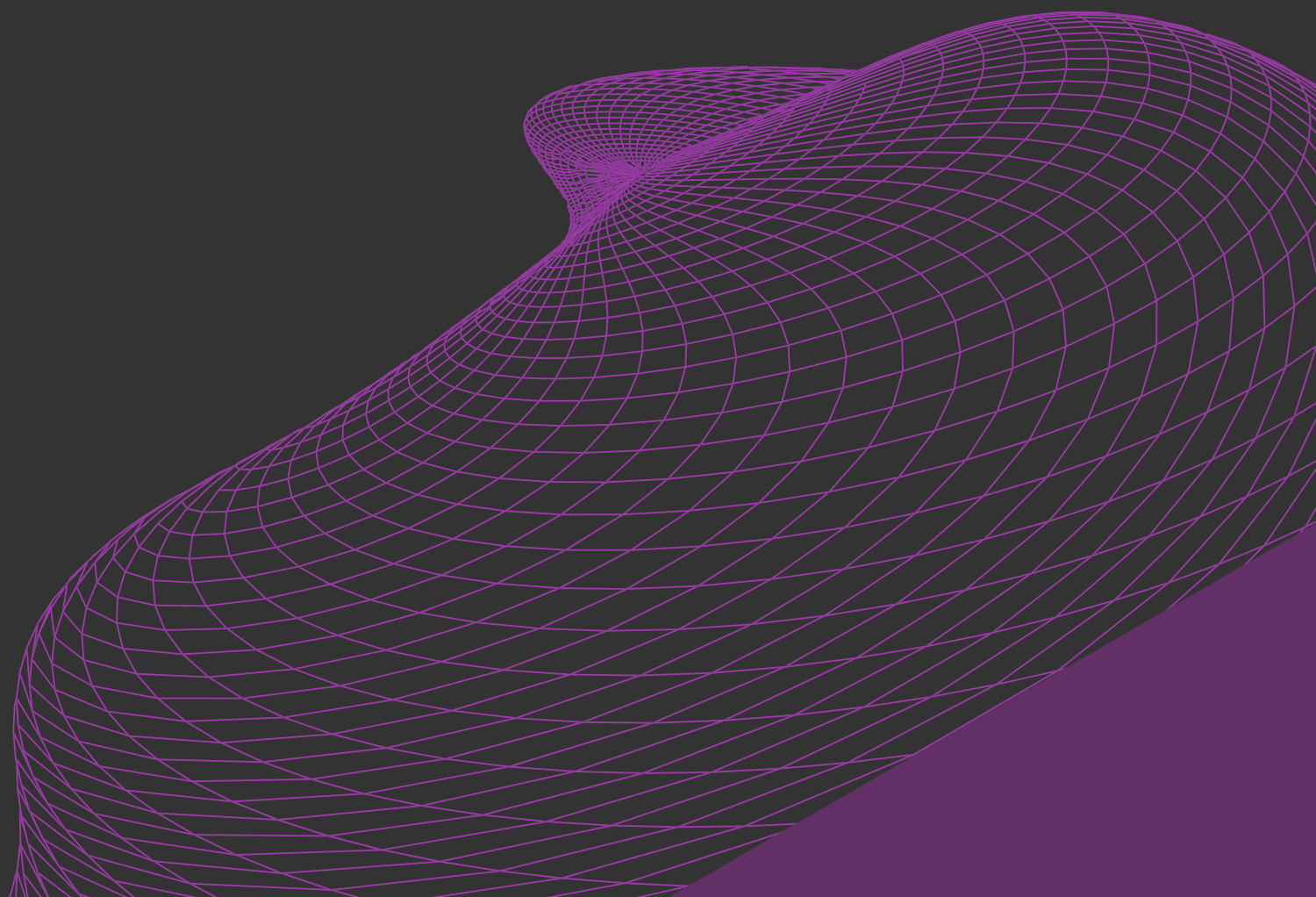
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