## 2023-2024

# The state of the customer journey experience

Free customers from pre-defined journeys and enable them to explore your brand on their own terms

**alterian**
REAL-TIME CX

**RESEARCH REPORT**

**INSIDE**

- Why and how enterprises are evolving from brand-led journeys to customer-centric journey enablement.

- How an intelligent journey experience transforms business operations, customer satisfaction and competitive advantage.

- Insights and case studies from Annette Franz, Jim Tincher, New Balance and Alterian.

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# Foreword and about the respondents

For several decades, a customer's experience of a brand or organization has been designed and delivered by the brand itself, putting the journey map at the heart of experience management. The introduction of advanced CX technologies, however, and an explosion in devices, touchpoints and omnichannel capabilities is now pushing the boundaries of the customer journey experience, empowering customers with the freedom to take their own journeys on their own terms.

This evolution from brand-led to customer-led journey enablement is fostering loyalty and driving revenue and innovation, giving many organizations a competitive advantage. But the state of the customer journey experience at present demonstrates there are many challenges for other organizations to overcome.

To find out more, Alterian partnered with *CX Network* to conduct market research into the state of customer journey experiences at present and how those experiences may develop into 2024.

Between July 10 and August 20, 2023, 100 *CX Network* members shared information on what their organization is doing to understand evolving customer needs and behavior throughout the customer journey, the quality of tools at their organization's disposal and how they perceive their journey experience when compared with competitors.

Based on the findings, this report examines perceived CX maturity across a number of key geographies, with specific focus on how organizations are prioritizing and advancing the journey experience they offer, as well as the adoption rates of the AI-powered CX technology that enables high-tech, intelligent and highly customizable interactions.

Featuring insights from Annette Franz CCXP, Jim Tincher CCXP, New Balance and Alterian, this report provides the information organizations need to benchmark their current customer journey experience and strategies against competitors and discover how optimization of the customer journey experience drives customer satisfaction, cost-reduction and revenue.

## Contents

# About the survey respondents

To research this report, we asked our network members across the US and Canada, South America, Europe, the Middle East, the UK and Ireland to share their observations on journey design and management.

Between July 10 and August 20, 2023, 100 CX Network members shared information on what their organization Is doing to understand customer behavior throughout the journey experience, what they are doing to

advance that journey experience and what their greatest challenges are in this work. The graphic below demonstrates how many respondents are located in each region.

**FIGURE 1**

**Where our survey respondents are located?**



USA & Canada — 72%

Europe — 9%

South America & Caribbean — 7%

UK & Ireland — 10%

Middle East — 2%
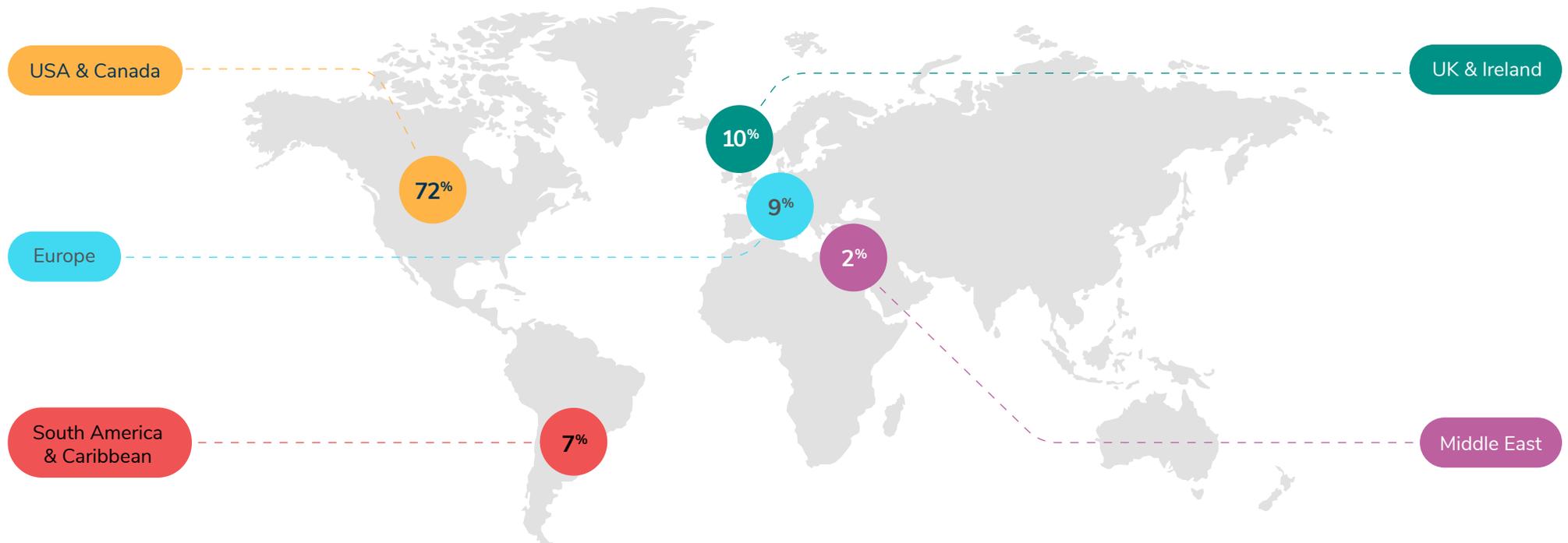
Source: CX Network industry research, July-August, 2023. Due to rounding, figures may not total 100 percent.

# The current state of customer journey experiences

To gauge the current state of the customer journey experience, we asked our network members across six key global markets where their organization's CX strategy ranked in their list of business priorities for the coming year.

Among respondents, the majority (54 percent) said it carried a high priority with significant importance while 32 percent said their CX strategy is a top priority of the highest importance (see Figure 2). This means that 86 percent of organizations have a heightened awareness of the importance of the customer experience (CX) and are prioritizing their CX strategies accordingly.

Bob Hale, CEO of Alterian says: "Organizations now recognize that CX is a critical element of their business strategy. This heightened awareness underscores the pivotal role of CX in the competitive landscape. The ability to understand and act to improve customer journey experiences is a strategic differentiator for leading businesses in crowded markets."

Yet the current state of the journey experience says Hale, is a mixture of pitfalls, progress and potential.

When we asked our network members to compare themselves with their competition, 35 percent said they believe their journey experience is comparable, yet 43 percent believe they are outperforming their competition: 32 percent report their journey experience is "better" and 13 percent report it is "much better" (see Figure 3).

While this is positive, it also means that 20 percent of respondents believe that the journey experience they offer fails to stack up against competitors. If we then consider that 14 percent of all survey respondents are not currently placing a high priority on their CX strategy, Hale says it is concerning that many businesses are not adequately prioritizing the customer journey experience at present.
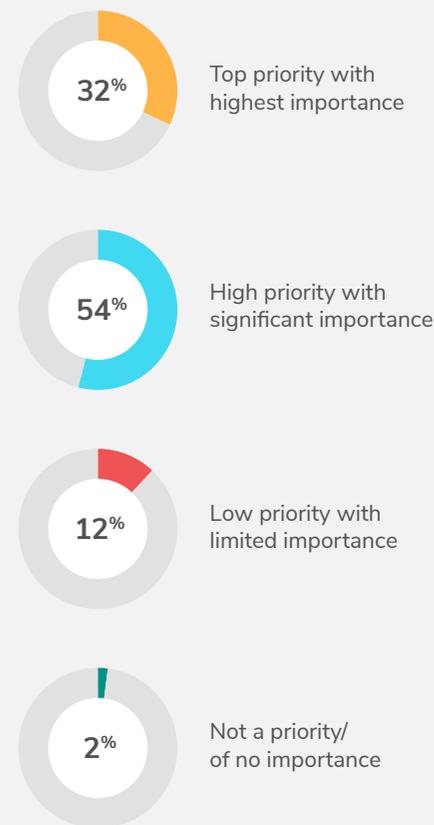
He says: "Neglecting journey experiences leads to a disconnect between customer expectations and actual interactions. Ultimately, this has a negative impact on the brand and results in revenue loss, as well as customer dissatisfaction."

Forward-thinking organizations now enable customers with individualized journey experiences, orchestrating consistent tailored interactions across all channels.

As use of Journey Orchestration becomes more widespread. Hale says that businesses must recognize the strategic importance of the journey experience and its ability to foster loyalty while driving progress towards other business targets, such as higher revenue and more streamlined operations.

**FIGURE 2**

**Where does your organization's CX strategy rank in the list of priorities for the coming year?**

**32%** — Top priority with highest importance

**54%** — High priority with significant importance

**12%** — Low priority with limited importance

**2%** — Not a priority/ of no importance

Source: CX Network industry research, July-August, 2023.

**FIGURE 3**

## How do you believe your customer journey management compares to that of your competitors?

Much better

**13%**

Better

**32%**

About the same

**35%**

Worse

**17%**

Much worse

**3%**

0%                                              100%
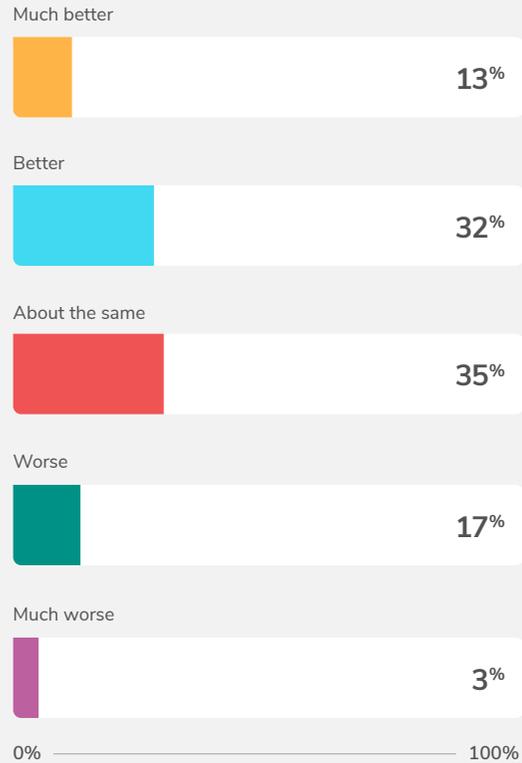
Source: CX Network industry research, July-August, 2023.

With specific reference to the service experience, Ingrid van Ruiswijk, manager, customer service DTC for New Balance, agrees that standards vary greatly between organizations and industries.

"It is very important to understand what the customer is looking for. There are companies with a very large customer service offerings – lots of contact channels and long opening hours – but that does not necessarily deliver the best service experience for the customer. If a customer is looking for speed, efficiency, lots of automated tools, then of course the company will require some form of automation based on artificial intelligence (AI). But there are companies, for instance in the cosmetics space, that would rather offer service operations that include live contact but may not want to do that at speed."

### Benchmarking journey maturity

As outlined, the majority of respondents work in organizations where the CX strategy is prioritized and management of the customer's journey is believed to be at least as good, if not better than that of competitors. Elsewhere, however, we asked respondents to gauge the level of maturity they think their business has with customer journey experiences.

On this point, 42 percent said they had made some initial efforts to understand and enhance journey experiences. A mere 10 percent reported an integrated customer journey strategy that utilizes the latest CX technology (see Figure 4). These results confirm there are clear leaders and laggards.

"While it is promising that many businesses have started their efforts to enhance customer journeys, the gap between these organizations and the leading organizations is considerable."
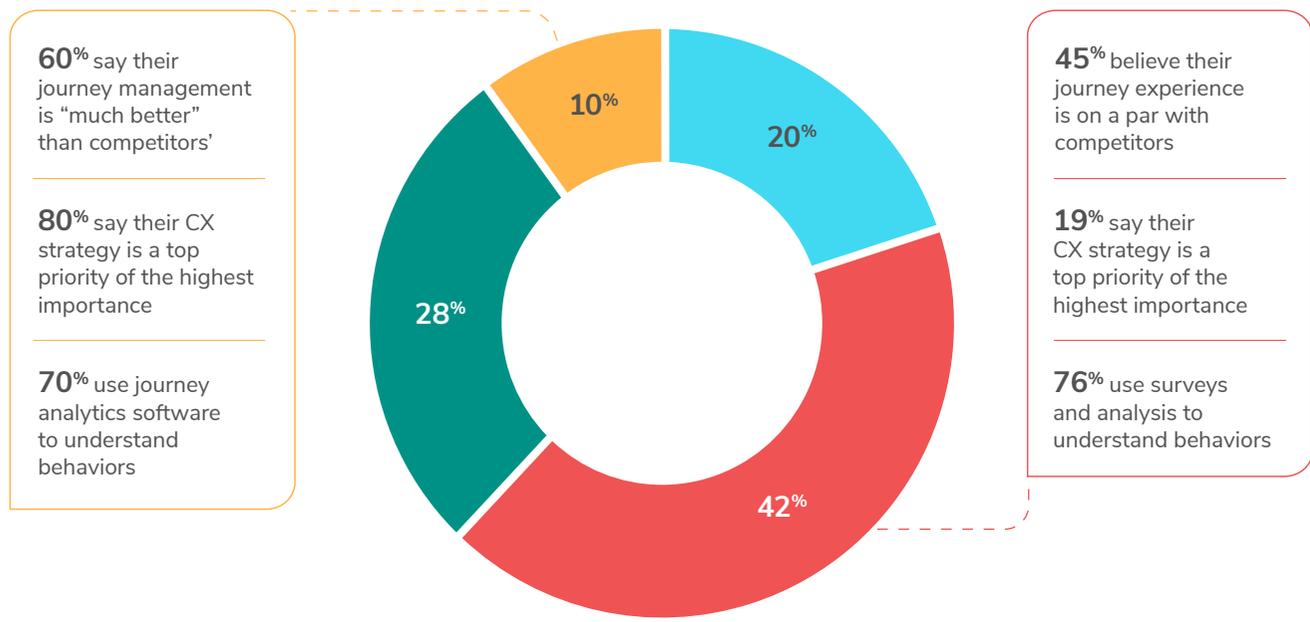
**- Bob Hale** CEO, Alterian

**FIGURE 4**

## Beyond journey mapping exercises, what level of maturity do you think your business has with customer journey experience?

- ● Limited or no formal customer journey strategies in place
- ● Established processes and practices for managing and optimizing the customer journeys
- ● Some initial efforts to understand and improve customer journeys
- ● Integrated customer journey strategy utilizing the latest CX technology

**60%** say their journey management is "much better" than competitors'

**80%** say their CX strategy is a top priority of the highest importance

**70%** use journey analytics software to understand behaviors

**45%** believe their journey experience is on a par with competitors

**19%** say their CX strategy is a top priority of the highest importance

**76%** use surveys and analysis to understand behaviors

20%
10%
28%
42%

Source: CX Network industry research, July-August, 2023.

Hale says: "This gulf between leaders and laggards does not come as a surprise. For years, businesses have grappled with digital transformation plans that have been hampered by resource constraints and departmental silos."

He adds: "While it is promising that many businesses have started to enhance customer journeys, the gap between these organizations and the leaders is considerable. This offers a learning opportunity to those looking to emulate the success of the leaders while also avoiding their mistakes. In a landscape where technology is now an enabler instead of an obstacle, those that are behind do not have to be in that position for long."

**"It is very important to understand what the customer is looking for. There are companies with a very large customer service offering – lots of contact channels and long opening hours – but that does not necessarily deliver the best service experience for the customer."**

**- Ingrid van Ruiswijk**
   **Manager, customer service DTC for New Balance**

As demonstrated in Figure 4, it is possible to analyze the leaders and laggards further to gauge how they benchmark against competitors and understand customers. These results reinforce similar research conducted by Jim Tincher, founder of Heart of the Customer.

Tincher has conducted several studies and one, in collaboration with CXPA, separated participants into two categories: hopefuls and change-makers. The change-makers comprised only 22 percent of the sample, but they were able to demonstrate how their work was leading to improved retention, higher sales and lower cost to serve.

Tincher found these leading companies are more likely to have a journey manager on the CX team who is empowered to drive change and has access to executives.

Another study conducted by Tincher found that two thirds of the time, when a company conducts journey mapping, nothing changes in the organization's approach to customers, or in the customer's experience of that journey.

"That is a missed opportunity," says Tincher. "There is still this feeling of, 'Let's take our employees, put them in a room with Post-it notes and the magical quality of

the Post-it notes will help them understand customer needs and fix the broken experience'. That does not work," Tincher adds.

As the findings from both studies outline, clear challenges and divides persist in the journey experience and while for some organizations the journey is the experience, the majority of journeys at present are still designed, rather than enabled. The next section of this report assesses how to address the existing challenges around the journey experience and what does work in terms of understanding and meeting customer needs.

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>
> **- Jim Tincher**
> **Founder, Heart of the Customer**

We asked survey respondents to identify the biggest roadblocks preventing them from actioning the best customer experience. When asked to select all that apply, 64 percent selected siloed data and lack of integrated systems, 43 percent selected inconsistent customer experiences across channels and 39 percent selected insufficient personalization and individualized customer interactions (see Figure 5).

There are also business challenges that impact the journey experience. Among survey respondents, the top three business challenges are understanding and acting on actual customer behaviors (selected by 85 percent of respondents), difficulty measuring and tracking the effectiveness of CX efforts (75 percent) and cross functional communication across business departments (72 percent, see Figure 6).

According to Annette Franz CCXP, founder and CEO of CX Journey, the ability to understand and act on actual customer behaviors is crucial to enabling and delivering a great customer experience. "There are a couple of vital pieces of the puzzle that need to be in place so that this is no longer the top business or customer journey challenge," she says.

"I have been talking about these two things for almost my entire career: if you do not have executive commitment to the work that lies ahead, and if you do not have the right culture in place, acting on the data that you have – organization-wide – becomes that much more difficult," she says. "Without executive commitment, you will fail to get the support and the resources – including human, capital, financial and time resources – that you need to do the work.

Without the right culture, you will struggle to get others to put the customer at the heart of all they do."



**FIGURE 5**

## What are the biggest roadblocks that prevent you from actioning the best customer experience?*



**64%** Siloed data and lack of integrated systems

**36%** Limited understanding of customer behavior and preferences

**31%** Lack of real-time capability to respond to customer needs

**39%** Insufficient personalization and individualized customer interactions

**43%** Inconsistent customer experiences across channels

*Respondents were asked to select all applicable options.

Source: CX Network industry research, July-August, 2023.

Exploring this point, our research also asked what organizations are doing to understand customer journey behavior. When asked to select all relevant options, 72 percent of respondents said they conduct regular customer surveys and feedback analysis, 50 percent said they utilize customer journey analytics software for customer interactions and 45 percent use social listening tools to monitor online conversations and sentiment (see Figure 7).

## Accessing real-time data

As outlined by Franz, to meet customer expectations businesses need to be able to understand data in real time in order to orchestrate and improve that journey experience in the moment. Doing so requires AI-powered solutions such as customer journey analytics, which is then integrated with existing tools like social listening, survey and feedback analysis. "While customer surveys and feedback analysis will continue to play a role in understanding customer behavior, businesses can elevate their understanding by integrating advanced technology into their practices and merging proven techniques with cutting edge analytics and AI," Hale says. "This can foster a deep understanding of customer behavior and help businesses deliver real-time individualized journeys at scale," he adds.

These tools can also integrate customer journey data with survey findings to enable a unified view of the customer and provide the insights necessary to improve overall CX. Tincher says the ability to combine and mine different data sets then allows for further analysis and persona mapping, which can all improve future journey experiences. He says: "There is a growing understanding of the need to bring business data into the journey map. "Surveys, journey maps and other customer sentiment data play an important role, but to create impact you need to combine that with the rest of the data; financial, behavioral and operational. Behavioral data is a rich source of Voice of the Customer (VoC) feedback and is missing from most CX programs. That is the change we want to see – a realization that CX is a business discipline, not a survey program."

## Making the journey a competitive advantage

To make the journey experience a true competitive advantage, customers must be free to choose a route that suits their needs, rather than forced into predefined journeys that are created and managed to suit the needs of generic customer personas.

**FIGURE 6**

## What are your top 3 business/ customer journey challenges?*

Cross-functional communication across business departments

**72%**

Understanding and acting on actual customer behaviors

**85%**

Difficulty measuring and tracking the effectiveness of CX efforts

**75%**

Lack of budget and resources to implement CX strategies

**51%**

Lack of effective support and alignment with business objectives

**25%**

0%　　　　　　　　　　　　　　　　100%

Source: CX Network industry research, July-August, 2023.
*Respondents were asked to select all applicable options.

## What does your business do to understand customer journey behavior?*

Conduct regular customer surveys and feedback analysis

**72%**

Employ customer tracking technologies,
e.g. Cookies to monitor touchpoints

**37%**

Utilize customer journey analytics software
to analyze customer interactions

**50%**

Implement customer journey mapping workshops

**38%**

Use social listening tools to monitor online
conversations and sentiment

**45%**

0%    100%

Source: CX Network industry research, July-August, 2023.
*Respondents were asked to select all applicable options.

A **leading travel company** wanted to turn its journey experience into a competitive advantage but was challenged by disjointed experiences across numerous disconnected touchpoints.

Hale says: "Transforming the customer journey experience into a competitive advantage requires a holistic approach, recognizing the importance of every customer touchpoint in fostering relationships beyond transactions. Embracing personalization, leveraging AI, nurturing cross-functional collaboration and iteratively enhancing strategies based on data insights is pivotal."

When navigating the existing, brand-led journey, customers were forced to restart and repeat steps each time they switched channels, affecting loyalty and retention as well as operational efficiency.

The company integrated its channels and customer journey data by leveraging customer journey analytics and journey orchestration capabilities through Alterian's Real-Time CX Platform.

This facilitated a unified customer view and enabled customers to experience real-time individualized experiences that were consistent and cohesive across all channels.

The strategy saw conversion increase by 19 percent and customer satisfaction by 15 percent. The company also increased the lifetime value of existing customers and enhanced operational efficiency, all while achieving its aim to make the journey a competitive advantage.

Hale adds: "Businesses must view each touchpoint as an opportunity and make use of technologies that help them enable seamless, positive experiences. In doing so businesses can convert customer journey experiences into a distinct competitive edge."

As this case study demonstrates, the evolution from brand-led to customer-led journey experience can drive both sales and satisfaction, but it requires new tools and capabilities. The next section of this report takes closer look at how journey capabilities can be enhanced and the role of AI in this.

> **"Transforming the customer journey experience into a competitive advantage requires a holistic approach, recognizing the importance of every customer touchpoint in fostering relationships beyond transactions."**
>
> **- Bob Hale** CEO, Alterian

As outlined in section two, the modern journey experience is no longer brand-led, but in order to put the customer in the driving seat, brands must be in possession of the necessary tools.

When asked how they rate the technology available to deliver the best customer journeys, the majority (36 percent) of survey respondents rated it as "fair". Only 16 percent consider it to be "excellent" while 13 percent consider it to be "poor" (see Figure 8).

To assess how organizations are upgrading the tools at their disposal, we asked which emerging technologies respondents are actively researching or implementing to transform their customer journeys in the near future. Of respondents, 38 percent said they are actively researching or implementing AI-driven analytics to understand customer behavior, 29 percent said they were researching customer data platforms (CDPs) to centralize customer data and 17 percent were focused on integrated CX platforms, such as journey orchestration, that can deliver personalized cross-channel experiences (see Figure 9).

Naming journey orchestration as one of the most promising journey management developments of recent years, Franz explains: "Journey orchestration helps marketers and others string together customer touch points to gain insights into what customers are doing, how they are doing it and where.

"Those insights are then used to guide customers through the journey, personalize – or rather, orchestrate – the experience for them and provide them with the information they need at the right place and the right time. In other words, it helps brands orchestrate next best actions that will deliver the most value for their customers," she adds.
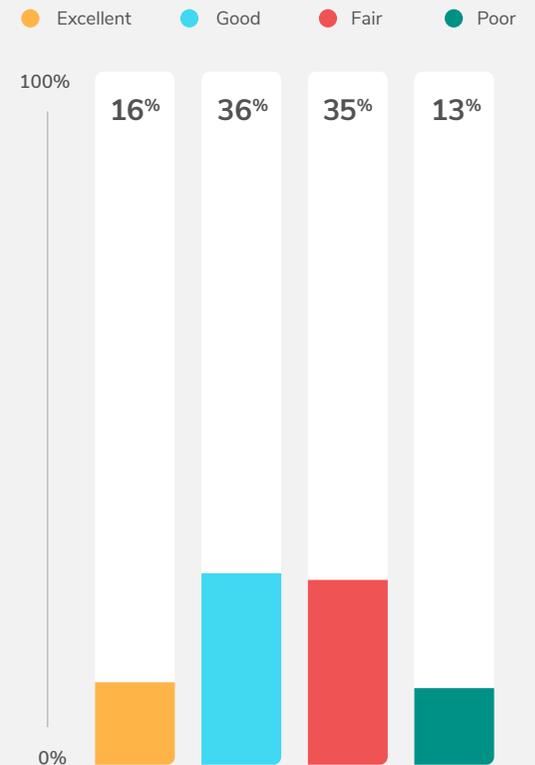
### 🤖 AI in focus

When asked where they believe AI can make the most positive impact on their customers' journey experience, the majority of respondents (39 percent) selected leveraging AI-driven analytics to understand customer behaviors and inform CX strategy. The second most selected answer was deploying chatbots and virtual assistants to provide instant customer support (see Figure 9).

FIGURE 8

**How do you rate the technology you have to deliver the best customer journeys across your business?**

- 🟠 Excellent
- 🔵 Good
- 🔴 Fair
- 🟢 Poor

| | Excellent | Good | Fair | Poor |
|---|---|---|---|---|
| | 16% | 36% | 35% | 13% |

Source: CX Network industry research, July-August, 2023.

## FIGURE 9

**What emerging technologies are you actively researching or implementing that you foresee having a significant impact on customer journeys in the near future?**

- Customer Data Platforms to centralize customer data
- Advanced call center software for enhanced customer support
- AI-driven analytics to understand true customer behavior
- Integrated CX platforms (like Journey Orchestration) that deliver personalized cross-channel experiences

100%

**29%**  **16%**  **38%**  **17%**

0%
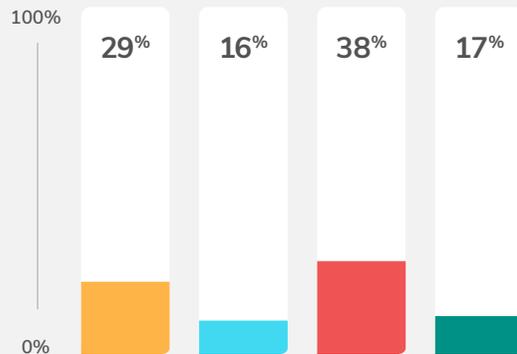
Source: CX Network industry research, July-August, 2023.

On how AI is changing the contact center, Van Ruiswijk says that generative AI in particular could transform operations by reading emotion and sentiment, then informing agents.

She says: "Automations like that can really sense the customer's current mood. I think it will evolve into a tool for agents to understand which customer should be prioritized above others and which customers need live contact instead because they are maybe agitated or getting annoyed."

As outlined in section one, there are clear leaders and laggards when it comes to the state of journey experiences at present. Furthermore, leading organizations are in the minority.

AI-powered technologies and other advanced tools promise to help laggards accelerate their progress by offering cost-effective and streamlined means by which to drive change. Advising on this, Hale says: "AI continues to evolve and it will revolutionize both CX as a practice as well as the journey experience. For those businesses that have made initial attempts to understand their journeys, the ability of AI to analyze and uncover actionable insights from journey data will propel them to the next level."

To begin catching up with their competitors, Hale says these businesses should leverage insights from AI to proactively adapt to customers' needs and create seamless experiences and personalized journeys that exceed expectations.

"The businesses that get it right early will hold the keys to unlocking the largely untapped potential of orchestrating customer journey experiences," Hale says. When we asked our network members where they believe AI can make the most positive impact on the customers' journey experience, the majority (39 percent) said leveraging AI-driven analytics to understand customers' behaviors and inform CX strategy. The least selected response was implementing recommendation engines to better enable call center agents to resolve issues (11 percent, see Figure 10).

Hale says: "AI enables businesses to process vast amounts of data rapidly, revealing insights that human analysis alone cannot achieve within the constraints of time and resources.

By leveraging AI-driven journey analytics, businesses can identify customer drop-offs, pain points and engagement and resolve them to create a better experience. This in turn improves revenue, reduces costs and increases customer satisfaction."

### Orchestration in action

Without a complete view of the omnichannel journey experience, organizations have no way to identify pain and exit points. **One leading utilities provider** faced the challenge of improving customer interactions while managing costs but had an incomplete view of customer journeys across channels. The company knew customers were contacting the service center for assistance with

one broken journey, only to experience more frustration while on hold waiting for other customers to have the same queries resolved.

Using Alterian's Real-Time CX Platform with AI-driven customer journey analytics, the provider uncovered hidden pain points within journeys and used the insights to guide CX improvements. Using this enhanced understanding, the provider crafted a compelling business case for investment and secured US$2.5m in funding for real-time journey orchestration improvements.

The results were transformative. With actionable insights to hand, the team reduced costs by $7.5m. By fixing broken customer journeys and enabling digital self-service experiences they also saw NPS increase by 10 percent.

**FIGURE 10**

In what area do you think AI can make the best impact on your customers' journey experience?

**18%** Delivering personalized content and offers to customers

**24%** Deploying chatbots and virtual assistants to provide instant customer support

**39%** Leverage AI-driven analytics to understand customers' behaviors and inform CX strategy

**11%** Implement recommendation engines to better enable call center agents to resolve issues

**8%** Other

Source: CX Network industry research, July-August, 2023.

# Conclusion:
## Today's competitive advantage, tomorrow's necessity

New channels and touchpoints are rapidly advancing the customer experience, but to maintain a competitive journey experience, organizations must invest in new tools that can orchestrate intelligent and successful journeys across channels, that are initiated and led by the customer. At present, doing this successfully provides organizations with a new way to compete, while in the future it will become a necessary standard.

As highlighted in this report, however, not all organizations are progressing at the same pace and clear leaders and laggards have emerged as a result.

Alterian's Hale says: "Those who do not act quickly risk losing customers to more innovative rivals. In a rapidly evolving landscape, failure to adopt new technology hampers the ability to catch up, leading to long-term customer, revenue and market share loss.

Early adopters, however, stand to gain a significant competitive advantage."

The survey findings this report is based on reinforce earlier research into journey experiences and their maturity in general. This suggests the challenges around journey experience are well established and although there is a new generation of AI-powered tools available to solve those challenges, they are yet to make their way into the enterprise at scale. When they do, they will revolutionize the effectiveness and efficiency of CX teams in optimizing customer journey performance and experiences.

As the commentators featured in this report outlined, AI-powered technology can orchestrate and elevate the journey experience. This creates cohesive, logical and cross-channel journeys that are hyper-personalized and seamless, and that any competitor will want to emulate.

We asked our network members how they envision their customer journey management evolving in the future. They said...

"We will be able to instantly obtain all the information needed and brainstorm ideas automatically. A huge part of the workflow will be handled by LLMs and AI."

"Businesses should utilize advanced data analytics, which would allow them to tailor their interactions and make real-time adjustments."

"It is possible for virtual assistants to play a greater role in providing assistance and guidance to customers at every touchpoint."

"We will use AI to do more predictive understanding of customer behavior."

"In our organization we will likely focus on more personalized, seamless experiences using advanced technologies."

"The goal is to have a personalized interaction with our clients, know their history with us and be able to help them as much as possible."

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