



SPECIAL REPORT

Uncovering the **Secrets** Behind a Successful Customer Experience Program

A study of more than 580 customer experience programs identifies what separates CX leaders from laggards

Medallia
INSTITUTE



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Look inside for these Fulcrum Notes – they identify ways that Fulcrum can help with these challenges!



Introduction

While business strategies differ between organizations, customer experience (CX) has become a priority for executives and leadership teams, no matter the industry. As consumer choice and power continue to grow, customer expectations are rising as well. Organizations that recognize and adjust to this paradigm shift have proven to be more successful as a result.

Just how much does customer experience impact an organization's bottom line?

- CX leaders are **26 times** more likely than laggards to experience revenue growth of **20%** or more over the past fiscal year.
- CX leaders are **2.8 times** more likely than laggards to meet financial targets and be viewed as a great place to work.

But this report doesn't aim to prove the relevance of customer experience — it's widely regarded as a fundamental business pillar now. The findings in this research from the Medallia Institute uncover the secrets to maximizing business success through customer experience. And it does so by answering key questions every customer experience professional should consider when managing a customer experience program:

- Which factors carry the greatest impact when developing a successful customer experience program?
- Where do organizations have the best opportunities to maximize the results of a customer experience program?

How We Measured Customer Experience Programs

To understand how organizations design successful CX programs and develop a strong CX strategy, the Medallia Institute studied over 580 organizations and their programs, as well as their strategic priorities related to customer-centric technologies and investments.

The Medallia Institute analyzed the characteristics that distinguish top performers (“leaders”) from those at the bottom (“laggards”), and looked to see how actions and priorities differ between these two groups. Each organization’s customer experience program has been scored across four core practices: signals, insight, engagement, and action.

The Customer Experience Leaders & Laggards Scorecard

Signals: Practices related to customer feedback and data collection

3.01
Leaders

2.69
Laggards

Insight: Practices related to analytics and measurement

3.05
Leaders

2.54
Laggards

Engagement: Practices related to leadership, data sharing, and work routines

2.99
Leaders

2.48
Laggards

Action: Practices related to ownership, responsiveness, and innovation

3.03
Leaders

2.55
Laggards

*Measured on a 5-point Likert scale from 0 to 4 asking for agreement with different statements about practices in each area.



01

Signals: Practices related to customer feedback and data collection

Collecting customer feedback and sentiment across as many channels as possible has become a key differentiator for companies today.

CX leaders find ways to innovate and transform experiences by capturing more customer signals through data and feedback. They are:

2.5x

more likely than laggards to say that they have enough data to understand the experience of customers in key segments.

3.3x

more likely than laggards to prioritize increasing the quantity of customer feedback.

2.0x

more likely to synchronize this data across internal systems to generate more meaningful, in-depth insights.

Leaders make 3.3 feedback channels available to customers compared to only 2.4 for laggards to uncover more voice-of-customer insights.

1/2

Nearly half of leaders capture unstructured data from chat and call sessions within their contact center.

1/3

Over a third of leaders capture customer feedback from external review pages.

Summary: CX leaders focus on capturing customer feedback, regardless of whether this feedback is internal or external to the organization, and whether this feedback is structured or unstructured. Those same organizations prioritize using practical information to make informed decisions about key customer and journey segments.

FULCRUM 

Fulcrum automatically captures first-party data allowing you to get important signal on all of your customers – giving you the data to improve their experience.



02

Insight: Practices related to analytics and measurement

The ability to measure, analyze, and act on crucial data from customer-related technologies has become a fundamental differentiator between leading and lagging customer experience programs.

CX leaders measure and analyze customer data more frequently and more thoroughly to establish the most pressing priorities for customer experience programs.

47%

of leaders analyze customer data at least monthly, while only 27% of laggards analyze data at this frequency.

2-3x

CX leaders plan to invest two to three times as much in customer-related technology across the board compared to laggards.

To what extent are the following customer-related technologies and tools a priority for investment for your organization in the next 12 months? (% Very High Priority)		
Customer-Related Technology	Leader	Laggard
Customer relationship management	63%	38%
Contact center agent productivity	58%	16%
Customer feedback management / Voice of the Customer (VoC)	57%	23%
Marketing analytics / personalization	57%	20%
Customer data platform (CDP)	55%	20%
Workflow automation	52%	19%
Speech / text analytics (Natural Language Processing)	47%	15%
Business intelligence (BI) / Reporting	44%	16%

Summary: CX leaders place a premium on measuring and analyzing as much relevant customer data as possible. And they do so by investing in a wide range of technologies focused on analytics, reporting, and management related to customer experience. As a result, leaders can better recognize urgent customer pain points, identify pressing business priorities, and understand journeys and experiences to the fullest extent.



03

Engagement: Practices related to leadership, data sharing, and work routines

It takes more than an extensive tech stack and data-driven insights to build a successful customer experience program — engagement and alignment from executives to all employees is needed. Creating a CX vision and making it an integral and visible part of the strategy is a fundamental practice.

CX leaders democratize data and use it as a foundation for decision-making across business units.

1.8x

Leaders are 1.8 times as likely to state that their employees have direct access to role-relevant CX information — highlighting the need to truly democratize CX feedback.

3.5x

Leaders are 3.5 times as likely to say that their employees use CX data to support their day-to-day decision-making.

CX leaders also invest in the employee experience to deliver even better customer experiences.

61%

61% of CX leaders stated that improving EX and loyalty is a strategic priority for investment within the next 12 months, compared to only 20% of laggards.

3x

Consequently, CX leaders are also over three times more likely to say they are able to achieve high levels of employee satisfaction and retention, and are recognized as a great place to work

Leaders are 2.5 times more likely than laggards to clearly communicate how CX relates to the organization's strategy.

Summary: Leaders create a customer experience vision and infuse customer experience in all parts of the organization and day-to-day decision-making. Recognizing that employees directly impact the quality of customer experience, CX leaders continually prioritize and develop the employee experience. Leaders build successful customer experience programs by enabling employees with strategic visibility, role-relevant insights, and crucial resources. And this investment into employee experience drives workforce performance, helping improve customer satisfaction and retention.



04

Action: Practices related to ownership, responsiveness, and innovation

Highly supportive and responsive customer journey management that's built on customer-centric objectives is fundamental to customer experience program success and separates leaders from laggards.

CX leaders use technology to automate action and continually improve and innovate.

CX leaders use customer data to automate action and follow up on feedback quickly, with the help of technology — **54%** strongly agreed with this statement, in contrast to **24%** of laggards.

Making improvements is essential to creating a successful program. Leaders are twice as likely to have clear internal accountability for these improvements and have a process for employees to share ideas.

To what extent are the following customer-centric objectives a priority for investment for your organization in the next 12 months? (% Very High Priority)		
Customer-Centric Objectives	Leader	Laggard
Improving quality of customer support experiences	68%	32%
Improving consistency of customer support experiences	65%	29%
Improving quality of customer feedback	57%	34%
Using customer feedback for product innovation	57%	15%
Increasing volume of customer feedback	56%	17%
Improving personalization across interactions	52%	24%
Managing human & digital interactions across channels	52%	19%
Creating frictionless cross-channel experiences	51%	20%

Summary: Leading customer experience programs drive success by empowering customers through personalized and seamless experiences, frequent direct engagements, multiple feedback loops, and well-supported journeys. Investments in technology enable CX leaders to automate action and respond quickly to customer feedback. Moving forward, the standout journey management areas where CX leaders are likely to make the most ground on laggards include improving the quality and consistency of customer support experiences, along with using customer feedback for product innovation.



Conclusion

With consumers engaging in new ways today, customer journeys are more complex than ever. Whether a customer is visiting a storefront, calling support, or navigating a website, delivering great customer experiences is about listening everywhere and making customers feel known across every interaction.

By comparing customer experience leaders from laggards, we see the most successful organizations understand this and are deliberate in their approach. Delving deeper into the fundamental pillars of a customer experience program — signals, insights, engagement, and action — three clear takeaways emerge on what separates a CX leader from a laggard:

Leaders are intentional in their customer feedback collection efforts — they focus on having the right information to make better decisions and drive action. Data is highly accessible across teams, and it's leveraged in the most impactful and appropriate ways, while striving to minimize any insights gaps across the organization.

Leaders invest in employee experience and engage their employees across the organization. This employee engagement consists of thorough training and continual support, access to must-have resources and information, and involvement in processes that directly impact their roles.

Leaders focus on improving the orchestration between digital and human interactions across the customer journey. Along with personalization and automation, leaders make each engagement a seamless experience for customers.

About the Study

In September 2021, the Medallia Institute surveyed 583 marketing and customer experience professionals in different organizations via an online research panel. Respondents represent leaders at organizations with more than 100 employees, based in the following countries: U.S., Canada, Mexico, Argentina, Colombia, Great Britain, Germany, France, Spain, New Zealand, and Australia. Our researchers screened potential survey participants based on their familiarity with their company's customer experience program to include only those that were at least somewhat familiar with the company's practices.

Geographical Representation

- US/Canada: 246 (42%)
- Latin America: 60 (10%)
- Europe: 202 (35%)
- Australia/New Zealand: 75 (13%)

Number of Employees

- 10,000 or more: 113 (19%)
- 1,000 to 9,999: 198 (34%)
- Fewer than 1,000: 272 (47%)

Annual Revenue

- \$1 billion or more: 177 (30%)
- \$100 million to \$999 million: 144 (25%)
- \$99 million or less: 196 (34%)
- Declined to state: 66 (11%)

About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment. www.medallia.com

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