



Customer Experience: Often Underestimated, but Central to your Business' Success

Address the Entire CX Ecosystem to Drive Sustained
and Differentiated Value

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Organisations realise the importance of Customer Experience (CX) in convincing customers to stay with, buy more from, and recommend their brand. However, they also increasingly face the challenge of keeping up with continuously changing customer sentiments and behaviours. This has been further accentuated by the pandemic effect, which has shaken up the consumer landscape, causing brands to realign their strategies and investments with the new set of circumstances.

To put this into perspective, a recent Forrester Consulting study* stated that while 95% of organizations believe that improving CX is important or very important, 62% of organizations do not believe that although they have prioritized CX improvement, they are investing enough to support it. Before we investigate how your organisation can take advantage of this opportunity, let's look at the value CX offers.

The Value of CX for your Organisation

CX drives organisational business benefits in two main ways. The first is growth. A customer who has enjoyed a good experience with your organisation is much more likely to stay loyal to you, consume more of your products and services, and recommend you to others. It is important to note that your organisation does not fully own the experiences that you provide to your customers. The entire experience ecosystem, comprising your customers, employees and partners need to be consistently and homogenously enabled in the delivery of unique experiences. For example, an online review of your product or service on social media or comments passed by word of mouth can be either positive or negative. This makes your organisation's reputation and your customer's loyalty extremely important.



CX also drives growth by improving profitability. All your market-focused activities, from acquiring new customers to providing them with seamless unforgettable service, incurs costs for your organization. A significant part of these costs is operating expenses. By improving employee productivity, for example by increasing automation, reducing silos, and minimising the duplication of work, your organisation can lower the cost of providing its service, which increases profitability. Therefore, your employee experience has a direct impact on your CX quality, efficiency, and effectiveness which influences your profitability.

An indirect benefit for organisations that have built a strong brand around providing an excellent CX, is the ability to attract talented employees more easily. A global online booking service we work with, for example, receives unsolicited applications from skilled Data Scientists who want to work for a company with their reputation for putting employees especially those working with data and analytics at the centre of their CX delivery outcomes.

According to the Forrester study, the benefits of CX in Europe include

increased revenue from new customers

53% of organisations

58% reduced costs from automation

54% retained recurring revenue from lower customer churn

55% selling additional products and services to existing customers

54% reduced cost of hiring employees by increasing employee referrals, lowering recruitment costs, and ensuring a better culture fit



Building the Foundations for CX Success

From working with CX leaders across multiple verticals we have observed some common traits and approaches that define those that are having the most consumer impact. Here's what you can learn and apply for your business:

1. Implement a dynamic roadmap for CX evolution

While a lot of organisations say they understand the importance of the customer experience, very few have a CX roadmap to guide them. This becomes important as the definition of customer service is continually evolving based on customer behavioural trends and socio-economic influencing factors.

In fact, by developing and implementing a dynamic roadmap, supported by an agile and accelerated digital technology enablement, the organisation will be more resilient, better able to adapt to changing customer requirements and provide a better experience for the end-user. Additionally, such agile and digitally-enabled organizations can pivot faster and benefit from newer opportunities that present themselves in the changing customer environments by designing and implementing a unique and more contextual CX.

Take the example of the grocery industry pre-pandemic versus now. There has been a significant change in the way customers order goods, with more customers selecting for home delivery or pick up services – which has required a rethink and relook at the channels and the competitive landscape amongst channel players. Grocery retailers with knowledge of their customers have been able to expand their portfolio with meal kits as a clear example of experience led contextual cross/upsell, thereby eating into restaurants' wallet share as stay-at-home dinners and lunches for regular and special occasions have become the norm.



2. Create a clear connection between the customer experience and the employee/partner experience

Your employees are on the frontline, defining and delivering the services that your customers experience. To ensure that this is smooth and positive, your organisation needs to provide your employees with the internal ecosystem necessary to deliver the experience in the way that the customer is expecting it. From a technical point of view, this includes removing silos to enable all employees access to the information they need and implementing technologies that empower employees to make the right decision for that customer at every touchpoint. It can also mean adapting the company culture to put the customer experience at the heart of every interaction. From people management and growth perspective this means aligning KPIs and processes to reduce and if possible, eliminate any internal conflicts across the experience delivery value chain.

At the global online booking services organisation that we have been working with, the guidelines for employees focus foremost on the trust that their customers have placed in the service when they booked with them and underlines a “what more can we do to help our customers?” approach. If something goes wrong (with the service outcome for the customer, even due to factors outside the organisation’s direct control), employees know that they get additional credit for first solving the customers’ issue before investigating the root cause. This kind of KPI prioritisation helps focus employee behaviour around intended customers’ outcomes and guides decision-makers on how to support them. In the longer term, this also creates a culture which can become a core strength underpinning the CX strategy for the organisation.

Partners are a key component in the experience value chain especially for the parts which are not in your organisations’ direct control. In particular, in enterprises with a significant B2B and B2B2C footprint, it is important to enable partners to seamlessly deliver the experience which you want your end-users to have. Channel and market-specific partner enablement and experience programs can go a long way in establishing direct positive market impact. Investments in this space need to include tooling and technology, alignment of experience vision and philosophy as well as established communication, metrics, and data to create a dynamic partner enabled experience ecosystem.

For example, at a global pharma and healthcare organisation engaged in introducing a consumable D2C product for diabetics, the primary experience delivery ecosystem consisted of partners and influencers which varied based on markets and regulations (e.g., pharmacies, healthcare professionals, retailers and licensing entities, etc.). This required a federated, market-specific partner experience, that placed decision-making and prioritisation as the main drivers for success. Interesting examples of partner enablement can also be seen in the large brand consumer durables industry which relies on multiple partners and channels for providing individualised experiences to customers.

3. Lead from the Boardroom

Fully aligning your CX with your organisation's strategy and vision will deliver the most impact. It is not enough for a few managers to support or lead the organisation's efforts to maximise the impact or delivery of CX, instead, these efforts need to be sponsored and championed at a board level. It entails investigating both the bigger picture and the smaller details to determine the best way to implement a clear, consistent, and self-sustaining customer experience. Moreover, with experience delivery playing a differentiator role in a competitive market, senior management ownership, attention, direction, and intervention will be essential for driving the right business value.

Experience Delivery and your Organisation

We believe the way the experience is delivered is the experience. Brands must deliver customer experience across devices, languages, continents, and business units. This multidimensional aspect of customer experience is a key driver of the board and CIO agenda, and a key driver of CFO expenditure. It drives investment deep in the organisation's infrastructure. Experience doesn't only lead to investments in front-end capabilities, it drives fundamental organisational and infrastructural shifts. Customer experience and its enablement across the CX ecosystem is therefore central to the future success of every business.

*"Activate A Holistic Customer Experience Ecosystem To Become A Market Leader", A Forrester Consulting Thought Leadership Paper Commissioned By Cognizant Digital Experience, April 2021



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Pradipto Basu is the Head of Cognizant's Digital Experience Practice in Europe. He is a keen 'human experience and technology evolution' trend-spotter and has over two decades of hands-on exposure in tech-enabled business transformations across various industries. He has been at the heart of several industry-shift-led mergers and post-merger integrations in the customer engagement services function among agency, consulting and technology services entities. He is an engineer and has a master's degree in business management and has a keen interest in classical music and horological complications. Pradipto can be reached at Pradipto.basu@cognizant.com | [linkedin.com/in/pradiptobasu](https://www.linkedin.com/in/pradiptobasu)

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