



DATA SNAPSHOT

The State of CX Management, 2021

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The State of CX Management, 2021

EXECUTIVE SUMMARY

To understand the current state of customer experience (CX) management, Qualtrics XM Institute surveyed 151 CX practitioners at large companies about their organizations' CX efforts and asked them to complete our CX Competency & Maturity Assessment. Highlights from the research include:

- + **CX is a top priority.** Customer experience is a 'significant' or 'critical priority' for 59% of respondents' organizations. Sixty percent said they had a senior executive in charge of CX, and 54% had a centralized CX group in place for a year or more.
- + **Human-channels deliver the best experience.** Respondents rated the customer experiences that their organizations delivered over the phone with an agent or in a store or branch more highly than those delivered through other channels.
- + **Organizations are in early stages of CX maturity.** No organization in the study reached the top stage of CX maturity. Most are either in stage one (Investigate, 52%) or stage two (Initiate, 29%).
- + **CX leaders use more insights.** CX leaders are more active users of all six listening posts we asked about, with the largest gap in journey feedback and always-on listening. CX leaders are also more likely to embrace the use of data and analytics to make key decisions.
- + **CX laggards lack CX skills.** CX leaders identify integration across systems and other competing priorities as their top obstacles to CX success, while CX laggards struggle the most with a lack of critical CX skills.

FIGURES IN THE REPORT

1. Time With Centralized CX Team and Leader
2. Priority on Improving Experience
3. Effectiveness of Customer Interaction Channels
4. Evaluating CX Technology, Competency, and Culture
5. Core CX Metric and Customer Listening Posts
6. Obstacles to CX Success
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Methodology

Time With Centralized CX Team and Leader

KEY TAKEAWAYS

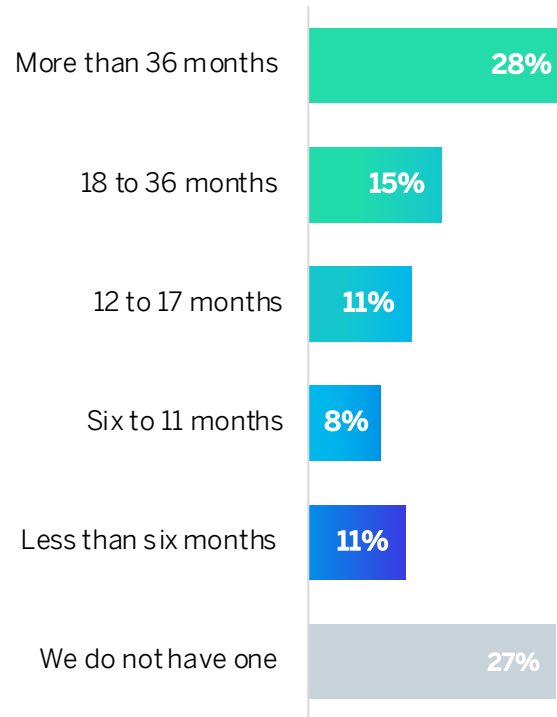
- + More than half of respondents' organizations had a centralized CX group for a year or more.
- + Sixty percent of respondents' organizations had a senior executive in charge of CX across products and channels.
- + In the previous year, 17% of organizations created a centralized CX group, and 21% of organizations added an executive in charge of CX.

ABOUT

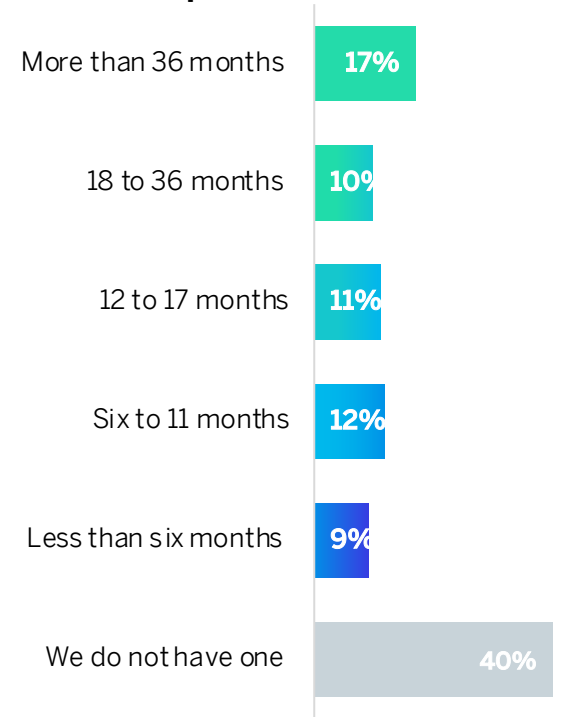
These charts show the length of time all respondents report their companies having a centralized CX group and a senior executive in charge of CX.

Time with CX Team and CX Leader

How long, if at all, has your organization had a centralized customer experience group?



How long, if at all, has your organization had a senior executive in charge of customer experience across products and channels?

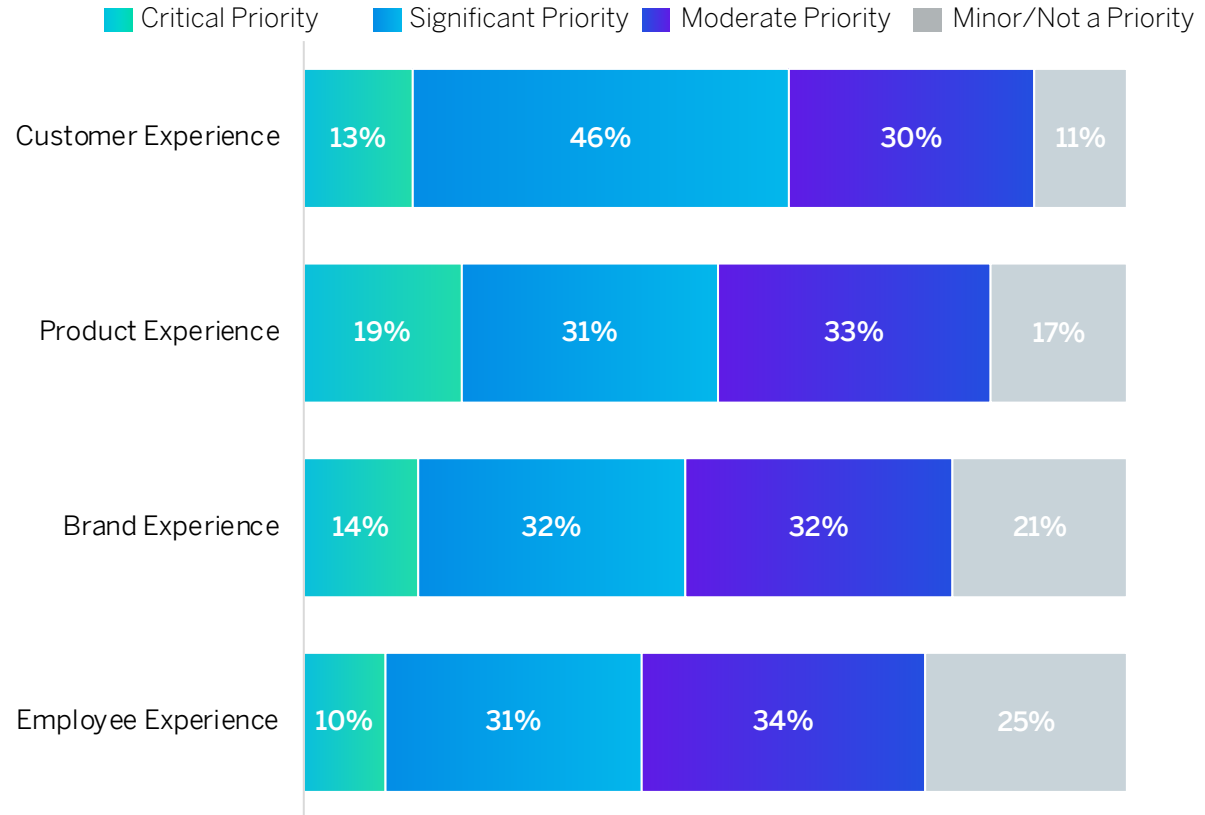


Priority on Improving Experience

KEY TAKEAWAYS

- + Customer experience is a 'significant' or 'critical priority' for 59% of respondents' organizations.
- + Product experience is a 'critical priority' for more organizations than customer, brand, or employee experience.
- + Employee experience is a low priority for 25% of respondents' organizations.

What priority does your organization put on improving _____?



ABOUT

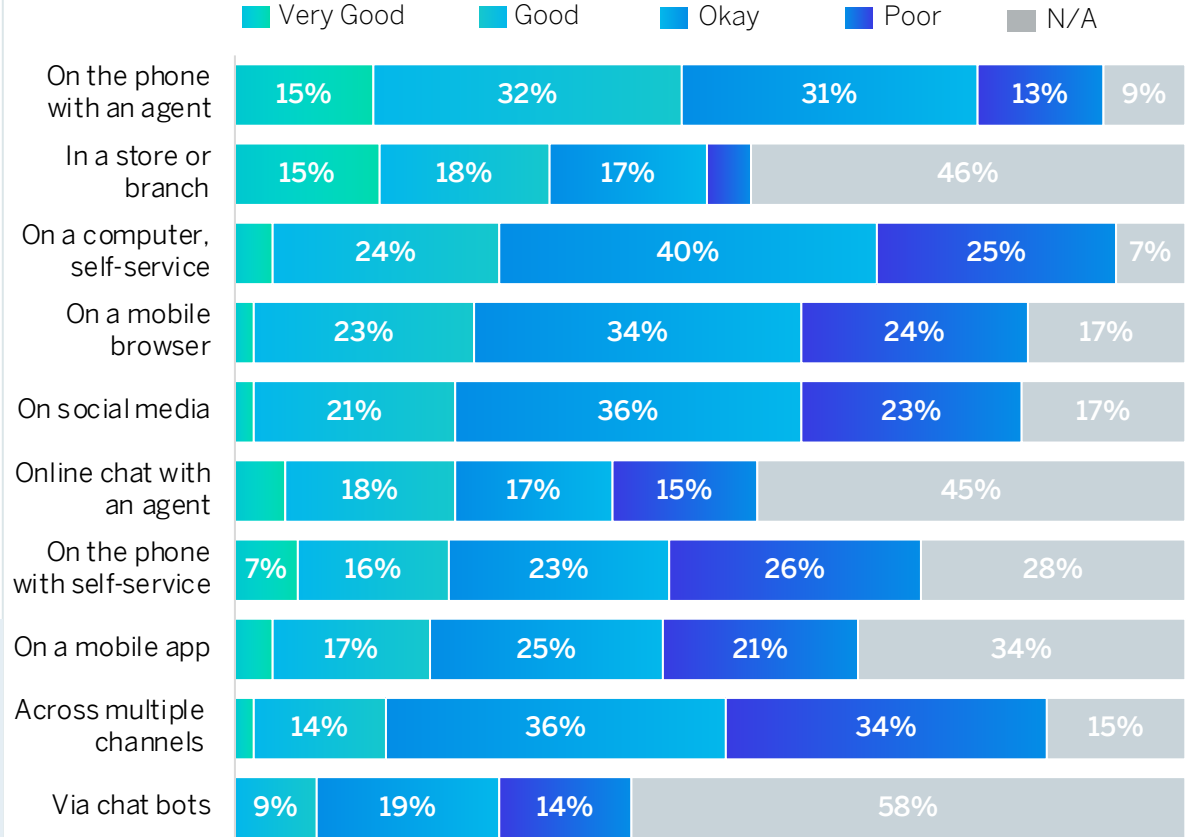
This chart shows how respondents rate their company's prioritization of improving customer experience, employee experience, brand experience, and product experience.

Effectiveness of Customer Interaction Channels

KEY TAKEAWAYS

- + More respondents say their organizations typically deliver either 'good' or 'very good' experiences over the phone with an agent than through any other channel.
- + Respondents report their organizations deliver 'okay' or 'poor' experiences across multiple channels (70%) and through self-service on a computer (65%).
- + More organizations deliver 'poor' experiences than 'good' or 'very good' experiences on the phone with self-service, across multiple channels, and via chat bots.

How would you rate the customer experience that your organization typically delivers through the following interaction channels?



ABOUT

This chart shows how respondents rate the customer experience their company delivers through each interaction channel.

Evaluating CX Technology, Competency, and Culture

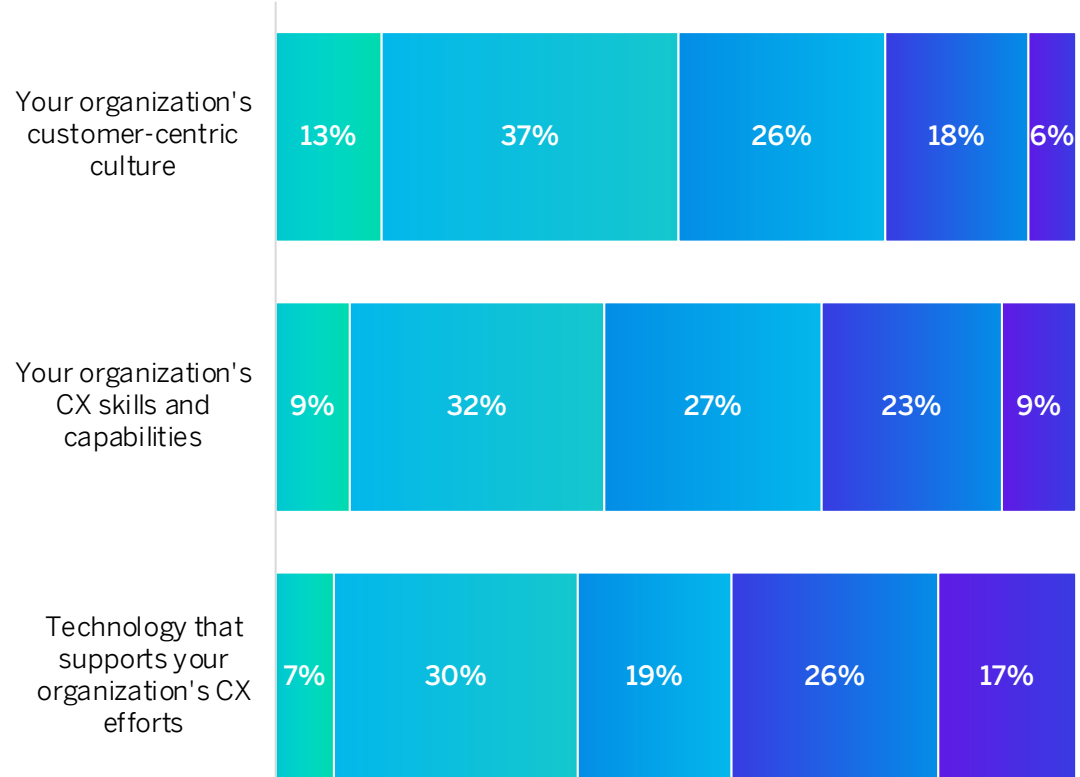
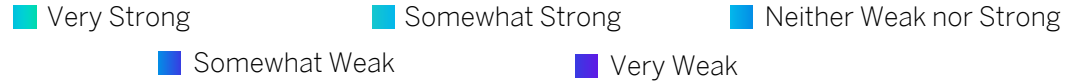
KEY TAKEAWAYS

- + On average, respondents rated their organizations strongest in culture, with half rating their organization's customer-centric culture as 'very strong' or 'strong'.
- + Only 41% rated their organization's CX skills and capabilities as 'very' or 'somewhat strong'.
- + More respondents rated the technology supporting their CX efforts as 'weak' or 'very weak' (43%) than 'strong' or 'very strong' (37%).

ABOUT

This chart shows how respondents rate their organization's CX capabilities when it comes to technology, competencies, and culture.

How would you rate your organization in the following areas?



Core CX Metric and Customer Listening Posts

KEY TAKEAWAYS

- + Eighty-seven percent of respondents say their organizations have a core CX metric and two-thirds use Net Promoter Score as their core CX metric.
- + More than two-thirds of organizations include relationship tracking and interaction feedback as part of their customer experience program.
- + About half of organizations use passive listening and journey feedback in their customer experience programs.

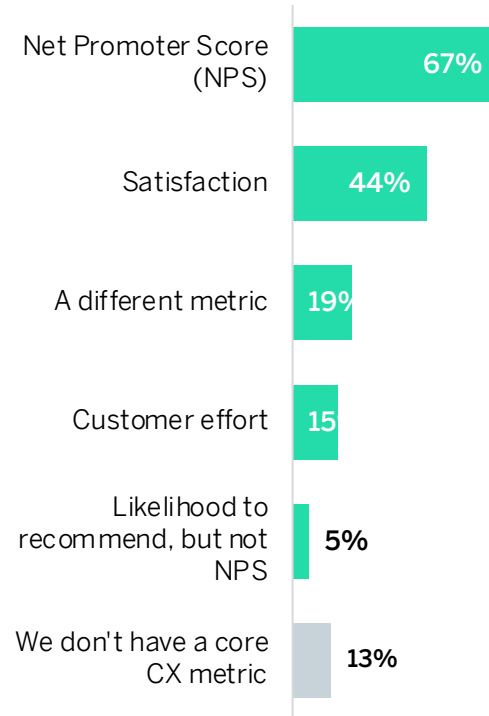
ABOUT

This chart shows the percentage of respondents' organizations using different CX metrics and customer listening approaches.

CX Metrics and Listening Posts

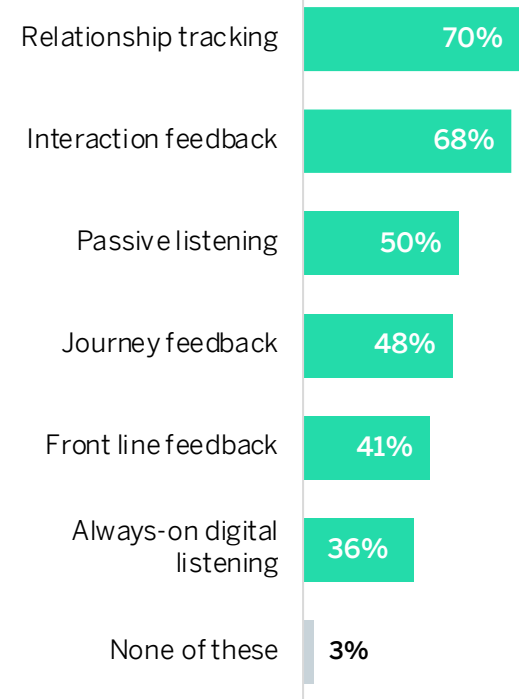
Which of the following is your core CX metric?

(Pick more than one if they are equally important)



Which of the following listening elements are a part of your customer experience program?

(Select all that apply)



Obstacles to CX Success

KEY TAKEAWAYS

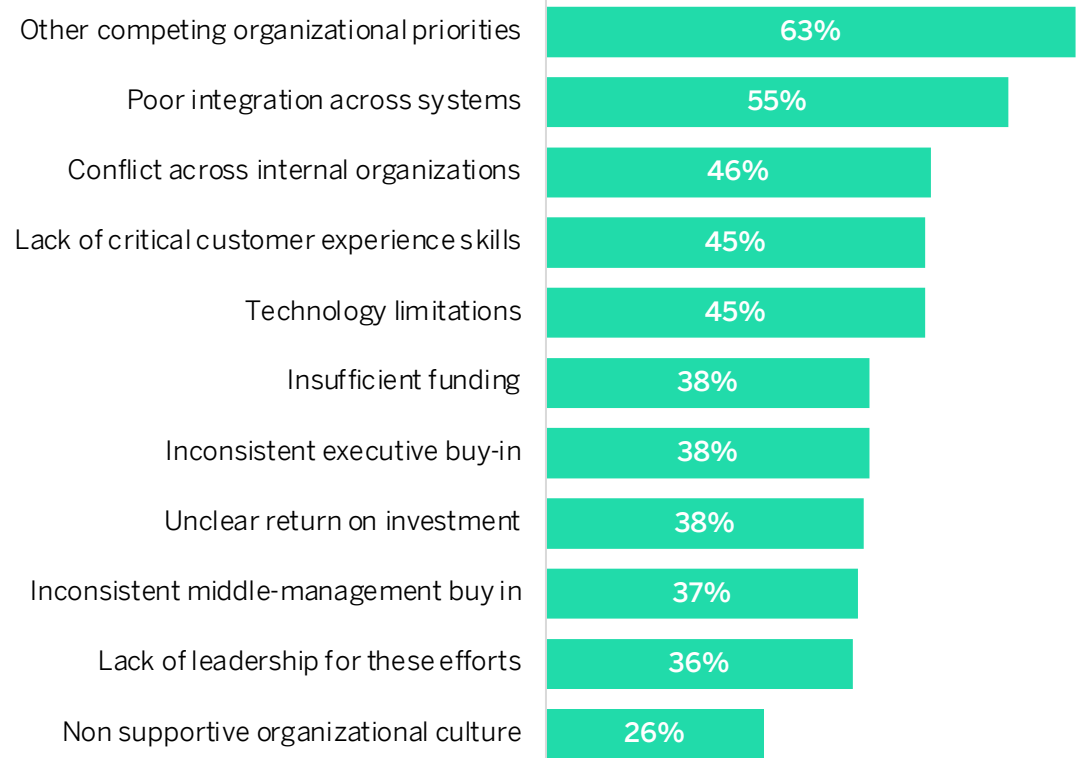
- + Respondents considered 'competing organizational priorities' and 'poor integration across systems' to be the leading obstacles to their organization's customer experience management efforts.
- + Less than half of respondents cited 'conflict across internal organizations,' 'lack of critical customer experience skills' and 'technology limitations' as significant obstacles to their organization's customer experience management efforts.
- + Over a quarter of respondents cited 'non-supportive organizational culture' as an obstacle to their customer experience management efforts.

ABOUT

This chart shows the percentage of respondents that reported each obstacle to their company's CX efforts.

Which of the following do you consider to be significant obstacles to your organization's customer experience management efforts?

(Select all that apply)



XM Institute CX Competency Model

KEY TAKEAWAYS

- + Experience Management (XM) is not a set of activities that companies can simply add on to their existing to-do list. It is a discipline, which means that to achieve the most value from their efforts, organizations must incorporate XM into every facet of their business.
- + XM Institute has identified a set of Six XM Competencies, each having three or four underlying skills.
- + CX is the application of Experience Management (XM) on customer relationships.

ABOUT

This shows the XM Institute XM Competency Model, which consists of six XM competencies and 20 XM skills.

Six XM Competencies	Description	Twenty XM Skills
LEAD	Architect, align, and sustain successful XM efforts.	<ul style="list-style-type: none"> + Strategy + Program Roadmap + Governance
REALIZE	Track and ensure that XM efforts achieve business objectives	<ul style="list-style-type: none"> + Value Planning + Value Delivery + Metrics Management
ACTIVATE	Create the appropriate skills, support and motivation	<ul style="list-style-type: none"> + Ecosystem Communications + Expertise Building + Role-based Enablement
ENLIGHTEN	Provide actionable insights across an organization	<ul style="list-style-type: none"> + X&O Data Integration + Experience Monitoring + Insights Discovery + Insights Distribution
RESPOND	Prioritize and drive improvements based on insights	<ul style="list-style-type: none"> + Immediate Response + Continuous Improvement + Strategic Decision-Making + Process Integration
DISRUPT	Identify and create experiences that differentiate the organization	<ul style="list-style-type: none"> + Experience Visioning + Experience Design + Experience Integration

Most Prevalent CX Skills

KEY TAKEAWAYS

- + Three of respondents' most frequently practiced CX skills are in the 'Enlighten' Competency with 26% saying they 'always' or 'almost always' 'analyze experience and operational data to prioritize action,' 22% capturing signals from targeted customers, and 20% distributing insights for stakeholders to take action.
- + Two of respondents' top practiced CX skills are in the Respond Competency with 23% saying they 'systematically follow up with customers to fix problems' and 19% making 'ongoing improvements to operational processes based on CX insights.'

ABOUT

This table shows the top 10 most frequently practiced CX skills based on the percent of respondents that say their company 'always' or 'almost always' performs each skill.

Top 10 most frequently practiced Customer Experience skills out of the 20 in XM Institute's *CX Competency & Maturity Assessment*

CX Skill	XM Competency	% 'Almost Always' or 'Always'
<i>Analyzes experience and operational data to prioritize actions.</i>	Enlighten	26%
<i>Maintains a clear and shared vision for its CX efforts.</i>	Lead	25%
<i>Systematically follows up with customers to fix problems that are uncovered from insights</i>	Respond	23%
<i>Prioritizes CX activities based on a well-defined set of metrics</i>	Realize	22%
<i>Captures appropriate signals from targeted customers at the appropriate times</i>	Enlighten	22%
<i>Keeps employees and partners informed about the value and progress of your efforts</i>	Activate	21%
<i>Distributes tailored insights to stakeholders that make it easy for them to take action</i>	Enlighten	20%
<i>Tracks progress against a well-defined CX roadmap</i>	Lead	19%
<i>Makes ongoing improvements to operational processes based on CX insights</i>	Respond	19%
<i>Ensures employees have the training and motivation to adopt customer-centric behaviors</i>	Activate	17%

Least Prevalent CX Skills

KEY TAKEAWAYS

- + Only 10% of respondents said their organizations 'forecast the specific business value of its CX efforts.'
- + Only 11% of respondents say their organizations 'always' or 'almost always' 'make strategic decisions based on CX insights.'
- + Three of respondents' least frequently practiced CX skills are in the Disrupt Competency with just 15% 'uncovering opportunities for transformative CX' or 'applying human-centric design approaches to the improvement,' and 17% 'ensuring new experiences are delivered consistently when they are rolled out.'

ABOUT

This table shows the 10 least frequently practiced CX Skills based on the percent of respondents that say their company 'always' or 'almost always' performs each skill.

Bottom 10 most frequently practiced Customer Experience skills out of the 20 in XM Institute's *CX Competency & Maturity Assessment*

CX Skill	XM Competency	% 'Almost Always' or 'Always'
<i>Forecasts the specific business value of its CX efforts</i>	Realize	10%
<i>Makes strategic decisions based on CX insights</i>	Respond	11%
<i>Adjusts efforts to make sure you deliver on your forecasts for CX value</i>	Realize	14%
<i>Creates mechanisms to build and enhance key CX skills across the organization</i>	Activate	14%
<i>Maintains governance structures that provide appropriate decision-making, alignment, accountability, and conflict resolution for CX efforts.</i>	Lead	15%
<i>Infuses customer experience insights into key operating processes and systems</i>	Respond	15%
<i>Uncovers opportunities for transformative customer experiences</i>	Disrupt	15%
<i>Applies human-centric design approaches to the improvement of customer experiences</i>	Disrupt	15%
<i>Combines experience data and operational data to generate actionable insights.</i>	Enlighten	17%
<i>Ensures new experiences are delivered consistently when they are rolled out across the organization</i>	Disrupt	17%

Calculating The CX Maturity Assessment

KEY TAKEAWAYS

- + The CX Maturity Assessment creates a numerical rating for customer experience competencies based on the extent to which each of the 20 CX skills are demonstrated.
- + Respondents self-assess how well their organization has adopted each of the CX Skills. This data is used to calculate a score for each CX Competency.
- + The Six Competency scores determine an overall maturity score.

ABOUT

This description shows how to calculate and evaluate the maturity of an organization's CX skills and competencies.

Step 1: Provide a numerical rating for all 20 CX skills based on this criteria

To what degree has your organization widely adopted these skills (“1” to “5”)?

- 1: Missing:** Demonstrates almost none of the required behaviors at an effective level
- 2: Emerging:** Demonstrates a small amount of the required behaviors at an effective level
- 3: Developing:** Demonstrates many of the required behaviors at an effective level
- 4: Established:** Demonstrates almost all of the required behaviors at an effective level
- 5: Ingrained:** Demonstrates all of the required behaviors at a very effective level

Step 2: Calculate scores for each of the six competencies based on the average score of the related skills

Ratings of CX competencies (average scores)

- Less than 2.60: *Very Weak*
- 2.60 to 3.29: *Weak*
- 3.30 to 3.89: *Adequate*
- 3.90 to 4.49: *Strong*
- 4.50 to 5.00: *Very Strong*

Step 3: Calculate the overall CX maturity score by adding together the scores from the individual competencies

Maturity stage (total score)

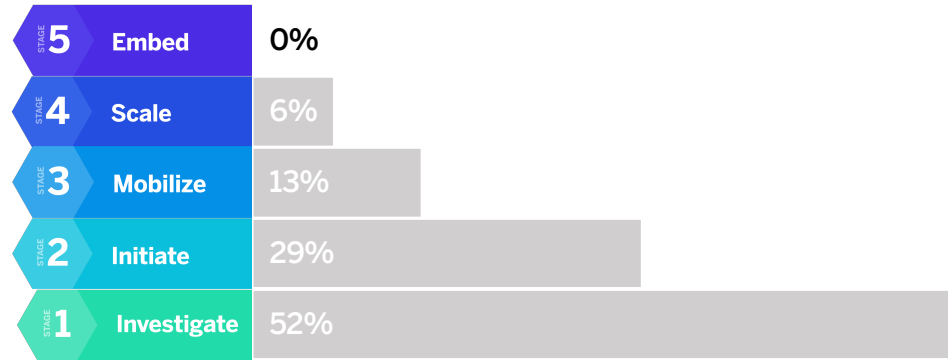
- 6 to 14: Stage 1: *Investigate*
- 15 to 18: Stage 2: *Initiate*
- 19 to 22: Stage 3: *Mobilize*
- 23 to 26: Stage 4: *Scale*
- 27 to 30: Stage 5: *Embed*

CX Competency And Maturity Results

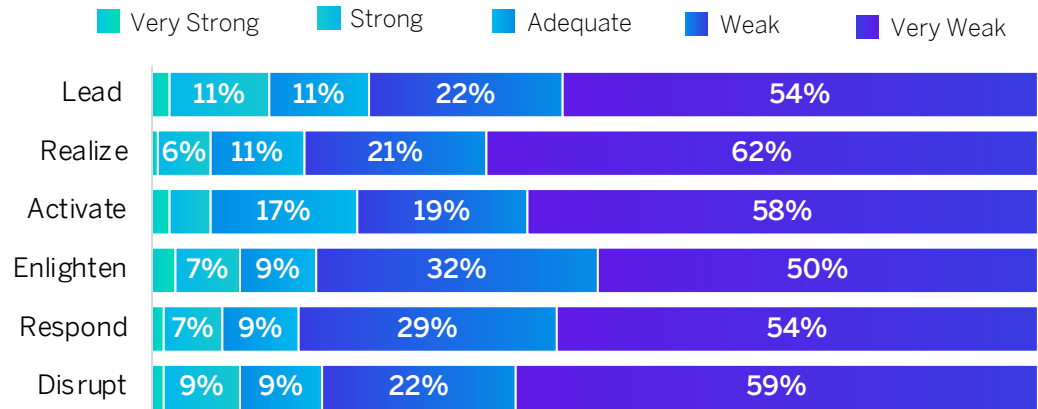
KEY TAKEAWAYS

- + Most organizations are in the first two stages of CX Maturity: Investigate (52%) or Initiate (29%). No organization made it into the top (Embed) stage of CX maturity.
- + More than two-thirds of organizations scored 'weak' or 'very weak' in each of the six CX Competencies.
- + Fewer than 15% of organizations scored as 'very strong' or 'strong' for each CX Competency.

Stages of CX Maturity



CX Competency Ratings



ABOUT

These charts show the percentage of organizations that achieved each CX maturity level, and the average score break down for each CX Competency.

CX Maturity Benchmark Data

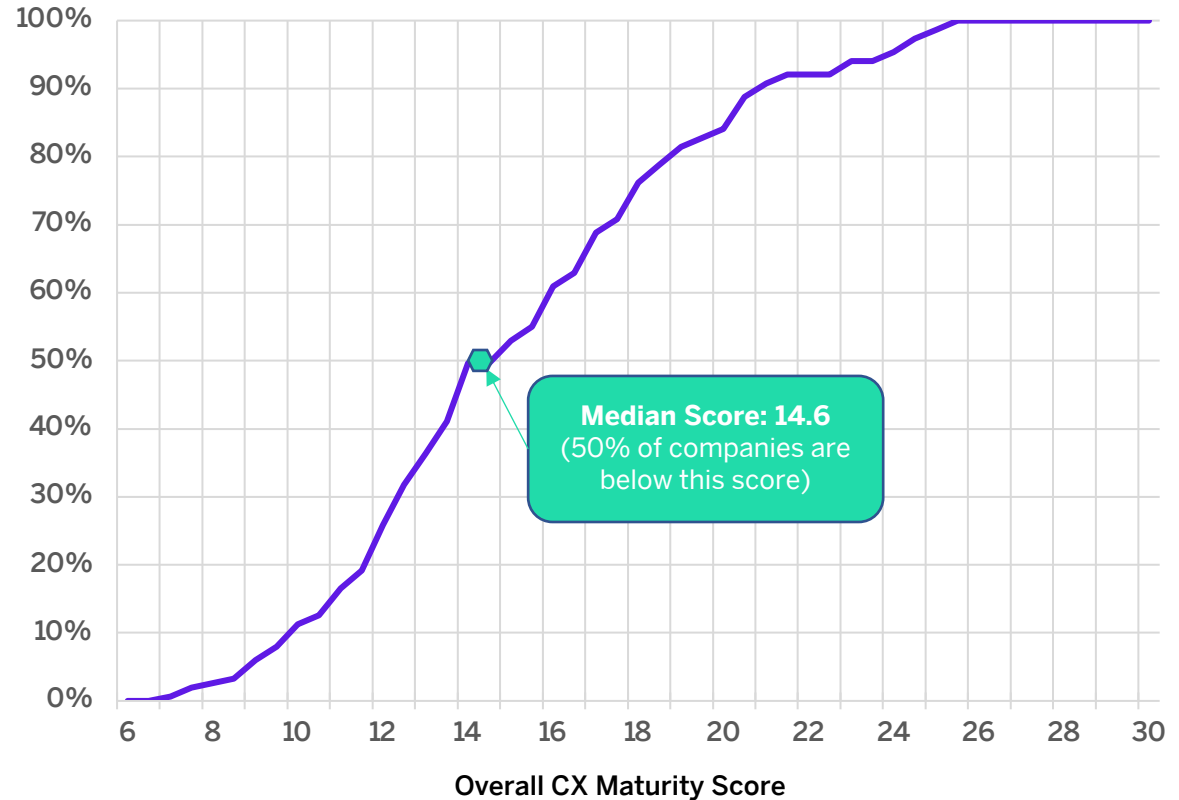
KEY TAKEAWAYS

- + To help you gauge your organization's progress on its CX journey, you can use the Competency & Maturity Assessment in several different ways: self-assessments, group discussions, action planning, and progress tracking.
- + After completing a self-assessment, you can use this chart to benchmark your results against the participants in this study.

ABOUT

This chart shows the distribution of the CX maturity scores for 151 large companies.

Distribution of CX maturity scores from 151 large companies that completed XM Institute's *CX Competency & Maturity Assessment*

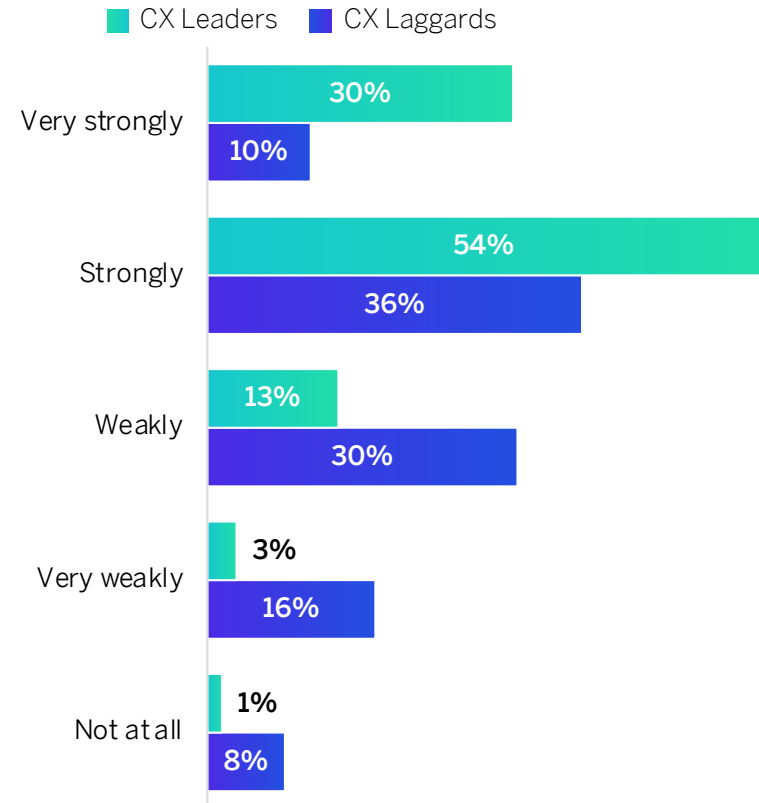


Leadership Support for CX: Leaders Versus Laggards

KEY TAKEAWAYS

- + Eighty-four percent of CX leaders said their organizational leader acts 'very strongly' or 'strongly' as a champion for customer experience.
- + Fifty-four percent of CX laggards said their organization's leader acts either 'weakly,' 'very weakly,' or 'not at all' as an active champion for customer experience.

To what degree does your CEO (or the leader in charge of your organization) act as an active champion for customer experience?



ABOUT

This chart shows the degree to which respondents report the most senior leader of their organization acts as an active champion for CX. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 50.5 are "CX Leaders" and companies with scores of 50.5 and below are "CX laggards."

Channel Effectiveness: Leaders Versus Laggards

KEY TAKEAWAYS

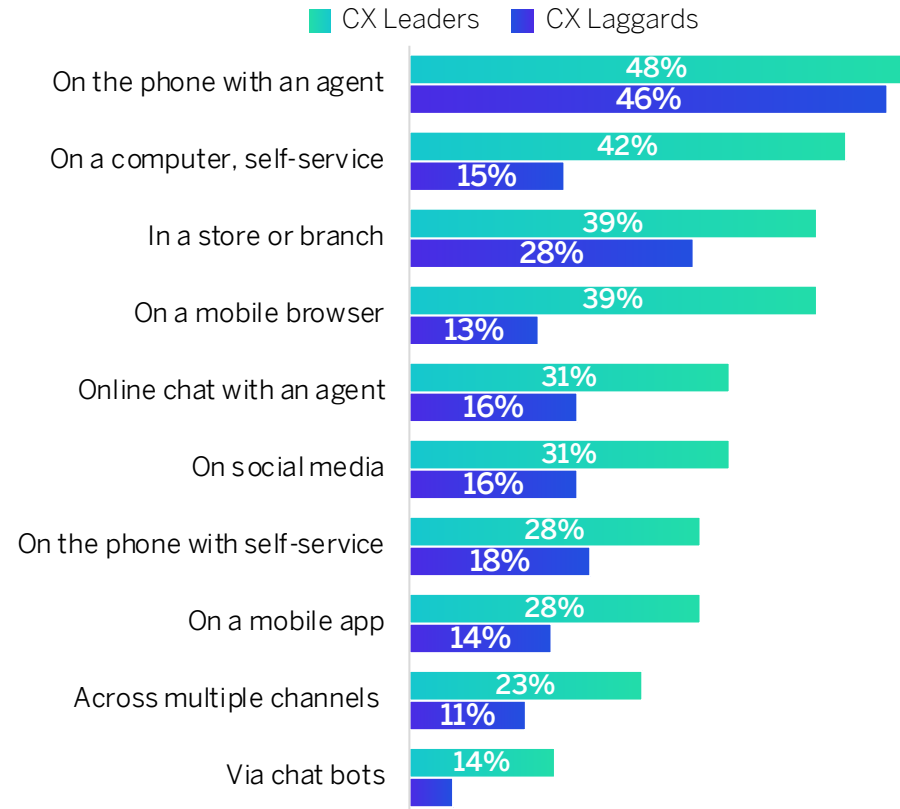
- + CX laggards and CX leaders both deliver 'good' or 'very good' customer experience most frequently on the phone with an agent.
- + On average, CX leaders deliver 'good' or 'very good' customer experience 14% more frequently than CX laggards across all these interaction channels.
- + Experiences delivered via computer self-service and mobile browsers represent the largest gap between CX leaders and laggards.

ABOUT

This chart shows the percentage of respondents that rate the customer experience their company delivers through each interaction channel as "good" or "very good." Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 50.5 are "CX Leaders", those with scores of 50.5 and below are "CX Laggards."

How would you rate the customer experience that your organization typically delivers through the following interaction channels?

(Selected "Good" or "Very Good")



Core CX Metrics: Leaders Versus Laggards

KEY TAKEAWAYS

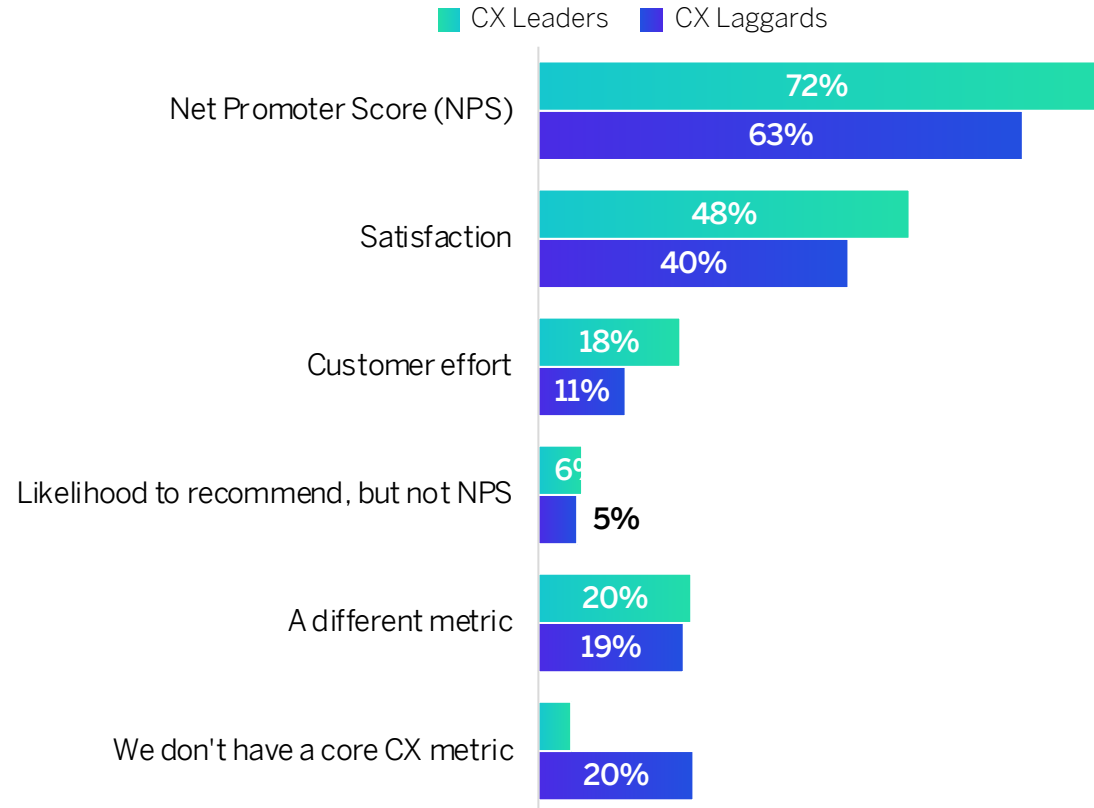
- + Twenty percent of CX laggards do not have a core CX metric, while just 4% of CX Leaders said the same.
- + Both CX leaders and CX laggards use Net Promoter Score as their core CX metric most frequently.

ABOUT

This chart shows the percentage of respondents that report their company using each CX metric. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 50.5 are “CX Leaders” and companies with scores of 50.5 and below are “CX Laggards.”

Which of the following is your core CX metric?

(Pick more than one if they are equally important)



Base: 151 CX Practitioners from companies with 1,000+ employees
Source: Qualtrics XM Institute 2021 Q1 CX Practitioner Survey

Usage of Listening Posts: Leaders Versus Laggards

KEY TAKEAWAYS

- + All CX leaders use at least one of these listening elements as a part of their customer experience program.
- + CX leaders most frequently use relationship tracking in their customer experience program, while CX laggards use both relationship and interaction feedback with almost equal frequency.
- + The largest gap in listening post usage between CX leaders and CX laggards is for journey feedback, with a 28-percentage point difference.

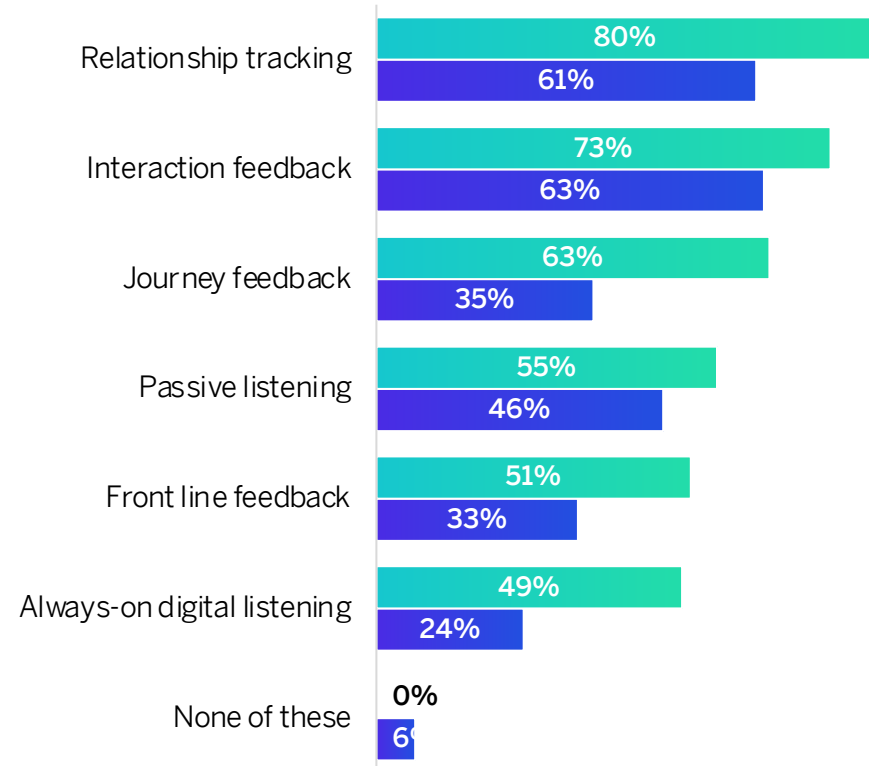
ABOUT

This chart shows the percentage of respondents that report using each listening element at their company. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 50.5 are “CX Leaders” and companies with scores of 50.5 and below are “CX Laggards.”

Which of the following listening elements are a part of your customer experience program?

(Select all that apply)

■ CX Leaders ■ CX Laggards



Obstacles to CX Success: Leaders Versus Laggards

KEY TAKEAWAYS

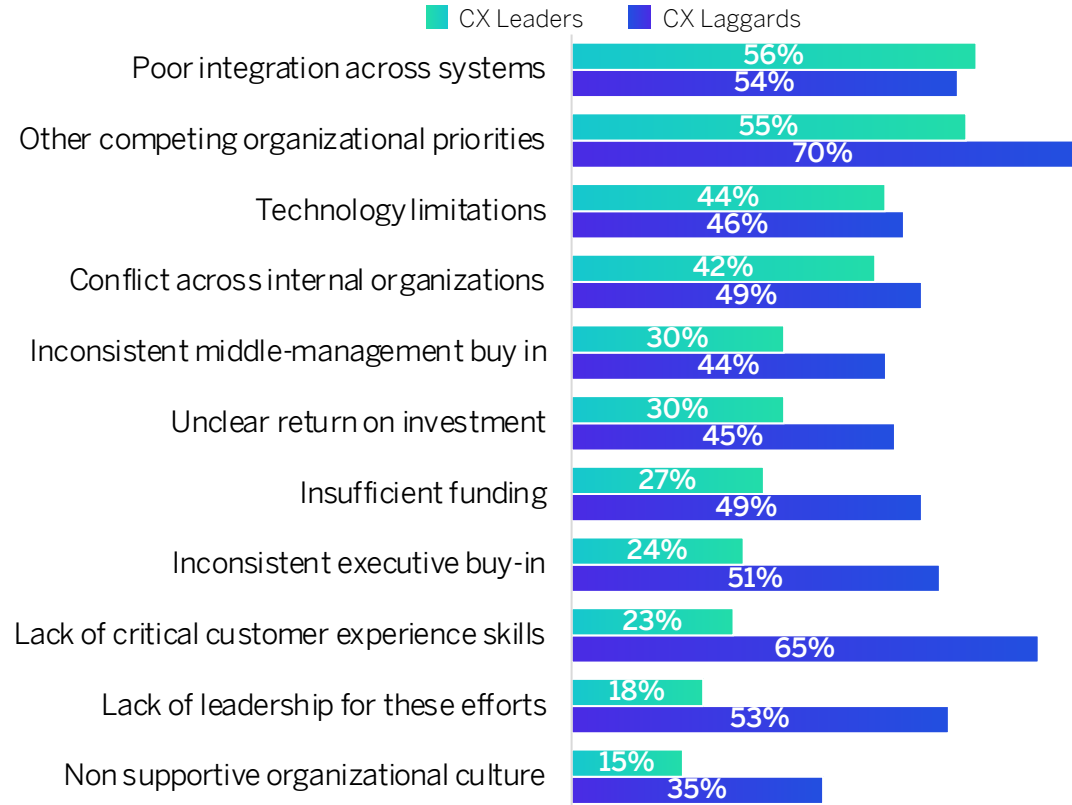
- + Poor integration across systems is the top obstacle reported by CX leaders and the only one they selected more frequently than did CX laggards.
- + CX laggards cited 'other competing organizational priorities' and 'lack of critical customer experience skills' as obstacles most frequently.
- + The largest gap in reported obstacles between CX leaders and laggards is 'lack of critical customer experience skills', with a 42-percentage point gap.

ABOUT

This chart shows the percentage of respondents that reported each obstacle to their company's CX efforts. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 50.5 are "CX Leaders" and companies with scores of 50.5 and below are "CX Laggards."

Which of the following do you consider to be significant obstacles to your organization's customer experience management efforts?

(Select all that apply)



Company Culture: Leaders Versus Laggards

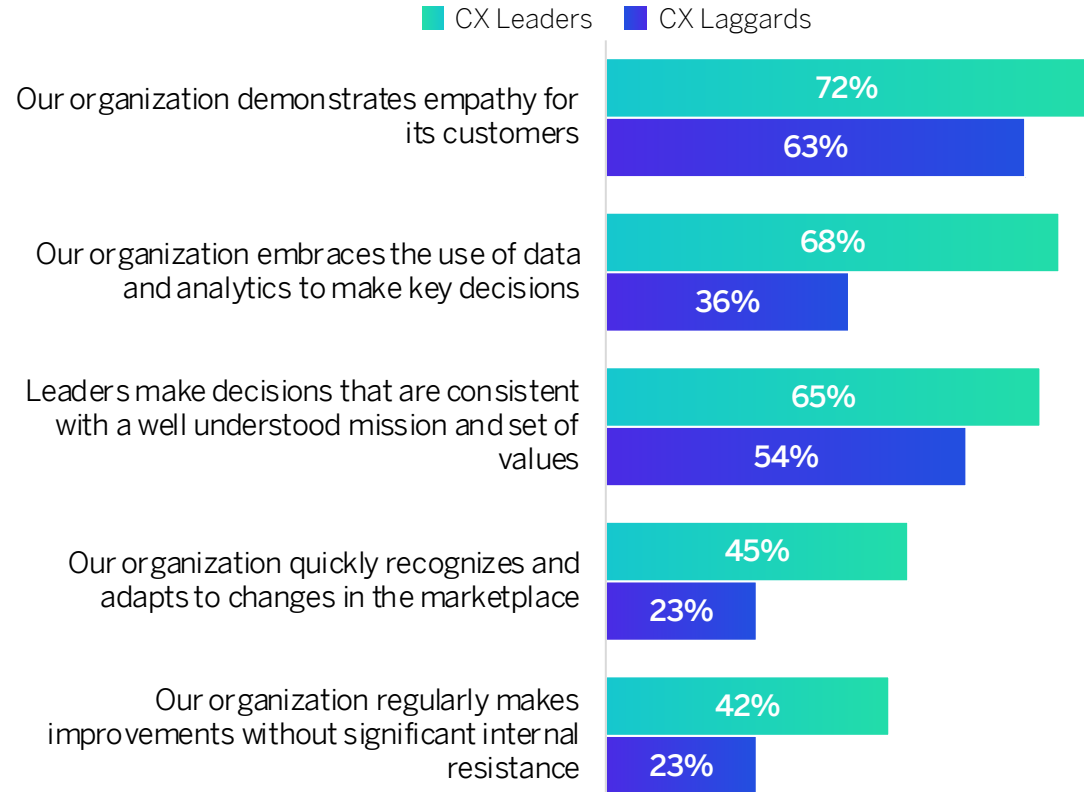
KEY TAKEAWAYS

- + Both CX leaders and CX laggards most frequently agreed with the statement that their 'organization demonstrates empathy for its customers.'
- + CX leaders agreed that their organization 'embraces the use of data and analytics to make key decisions' 32%-points more frequently than CX laggards, the largest gap in company culture statements.
- + CX leaders are nearly twice as likely than CX laggards to agree with the statements that their organization 'quickly recognizes and adapts to changes in the marketplace' and 'regularly makes improvements without significant internal resistance.'

ABOUT

This chart shows the percentage of respondents that agree with each statement about their company. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 50.5 are "CX Leaders" and companies with scores of 50.5 and below are "CX Laggards."

Respondents who agree with the following statements about their organization:



Methodology

DATA SOURCE

The data for this report comes from a customer experience management study that Qualtrics XM Institute conducted in the first quarter of 2021. Using an online survey, XM Institute collected data from 151 customer experience management professionals working at companies with more than 1,000 employees.

XM Institute surveyed CX management professionals connected to our subscriber list for our monthly newsletter, through members of the XMPN (Experience Management Professionals Network), and other professional networking sites.

DATA CALCULATIONS

In Figure 11, we calculated respondents' stage of maturity by asking "To what extent does your organization's customer experience program demonstrate the following behaviors?" for each of the 20 XM Skills in the XM Institute CX Maturity Assessment and scoring their responses accordingly.

In Figure 11, we calculated the strength of respondents' competencies by asking "To what extent does your organization's customer experience program demonstrate the following behaviors?" for the three or four skills for each competency as found in the XM Institute CX Maturity Assessment and scoring and averaging their scores accordingly.

In Figures 13-18, we split the respondents into two groups based on their overall CX Maturity Assessment scores. We labeled companies with scores of 50.56 (the average overall score) and below "CX Laggards" and companies with scores above 50.56 "CX Leaders."

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