



DATA SNAPSHOT

Experience Management Trends, 2023

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Executive Summary

KEY FINDINGS IN THIS REPORT

As part of our study of experience management (XM) professionals, we asked 171 professionals about the current state of XM inside their organization, anticipated areas of XM investment, 2023 employee and customer experience priorities, and expected future usage of XM technologies. From our analysis, we found that:

- + **Most organizations are in the early stages of XM maturity.** Forty-one percent of experience management professionals said their organization is in one of the first two levels of XM maturity: Investigate and Initiate. Another 36% of XM professionals report that their organization has reached the third level of maturity, Mobilize.
- + **XM professionals recognize the importance of improving empathy.** Seventy-two percent of respondents say that it is 'important' or 'very important' for their organization to improve its overall level of empathy. Meanwhile, 43% of these XM professionals classify the level of empathy their organization shows customers as 'strong,' but just 38% say the same about their organization's empathy toward employees.
- + **Half of organizations expect to increase focus on DEI.** Fifty-one percent of respondents think their organization will focus more on measuring and improving diversity, equity, and inclusion in 2023. Forty-nine percent also expect their organization to focus on measuring and improving employee journeys, like onboarding and training.
- + **Companies with a strong CX focus are investing in experience management.** Compared to those who are not focusing on CX this year, respondents who expect their organization to focus on customer experience more in 2023 also expect their company to invest more in experience management resources, such as full-time XM employees and XM training, and nearly all experience management technologies.

STUDY KEY FACTS

- 171 XM Professionals
- Sourced through the XM Institute network
- Conducted in Q4 2022

Experience Management Trends, 2023

STUDY OVERVIEW

The data for this report comes from an XM professionals study that Qualtrics XM Institute conducted in the fourth quarter of 2022. Using an online survey, XM Institute collected data from 171 XM professionals from organizations with 1,000 or more employees.

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

FIGURES IN THE REPORT

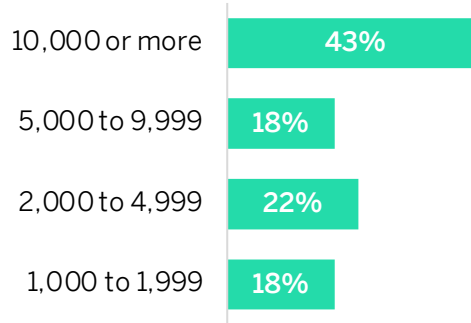
1. Respondent Organizations
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4. Importance of Improving Empathy
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Respondent Organizations

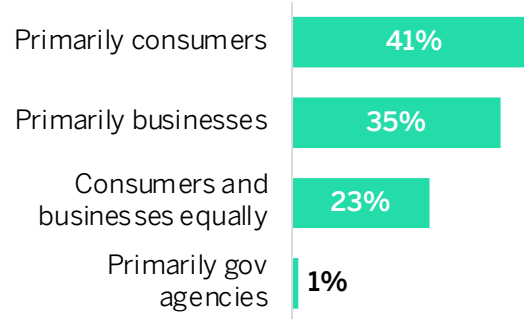
KEY TAKEAWAYS

- + More than two in five respondents are from organizations with more than 10,000 employees.
- + More than 75% work at organizations with 10 or fewer full-time XM employees.

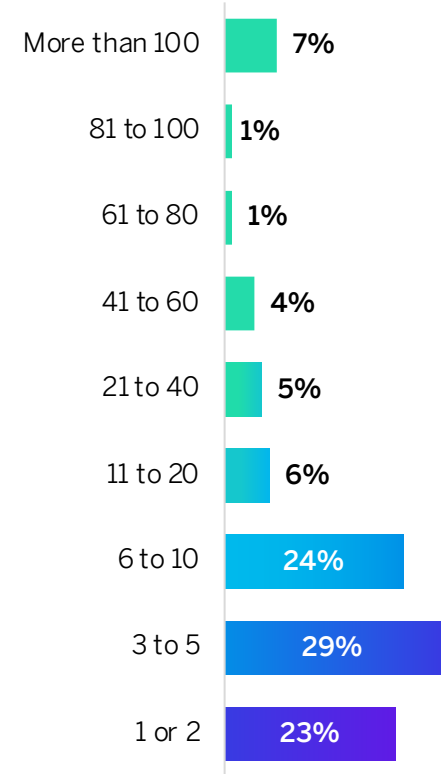
How many employees are there within your overall organization?



Which of the following best describes your organization's primary customers?



How many full-time employees are dedicated to XM in your organization?



ABOUT

This chart examines what size respondents' organizations are and how many full-time employees dedicated to XM are in their organizations.

Organization XM Maturity

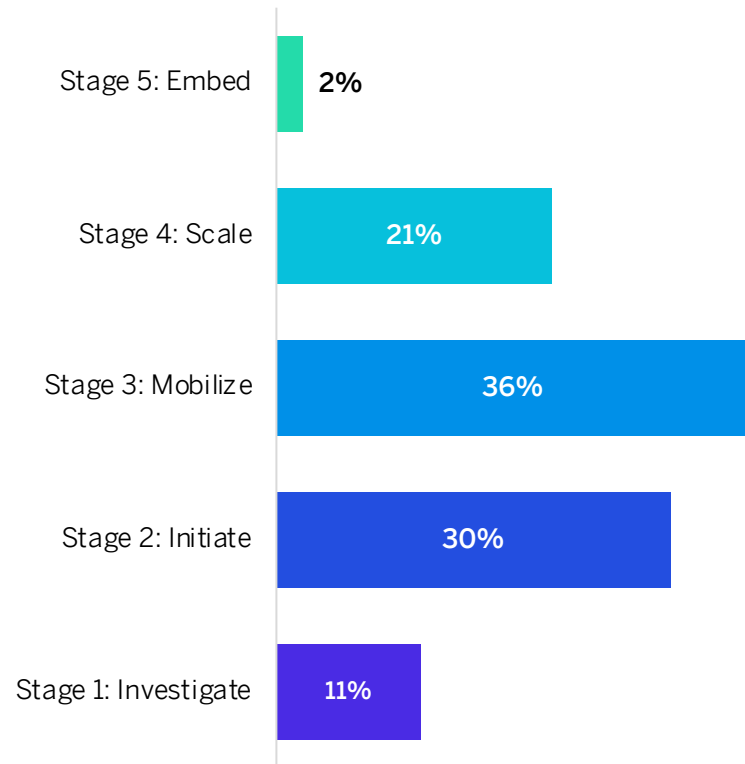
KEY TAKEAWAYS

- + Two in five respondents' organizations are in the first two stages of XM maturity. More than one-third are in the third stage: Mobilize.

ABOUT

This chart examines how respondents described their organization's maturity and commitment to XM.

Which of the following best describes your organization's overall stage of XM maturity?



Empathy Toward Customers and Employees

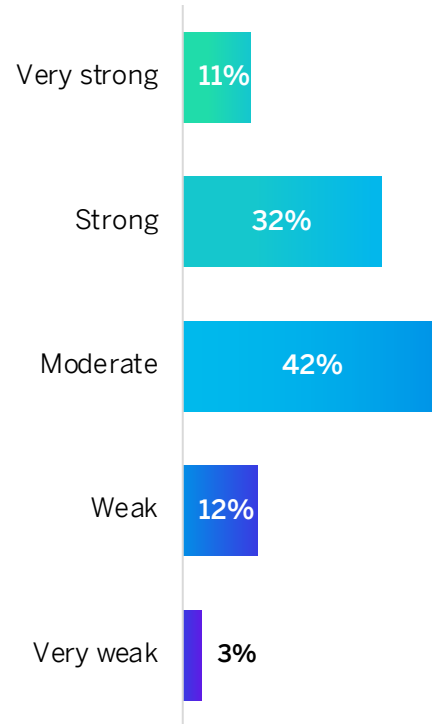
KEY TAKEAWAYS

- + Forty-three percent of respondents describe their organization's level of empathy toward customers as strong, while just 15% would say that empathy towards this group is weak.
- + Thirty-eight percent of respondents say their organization's empathy toward employees is strong, while 19% say their organization has weak empathy toward employees.
- + More organizations have strong empathy toward their customers than their employees.

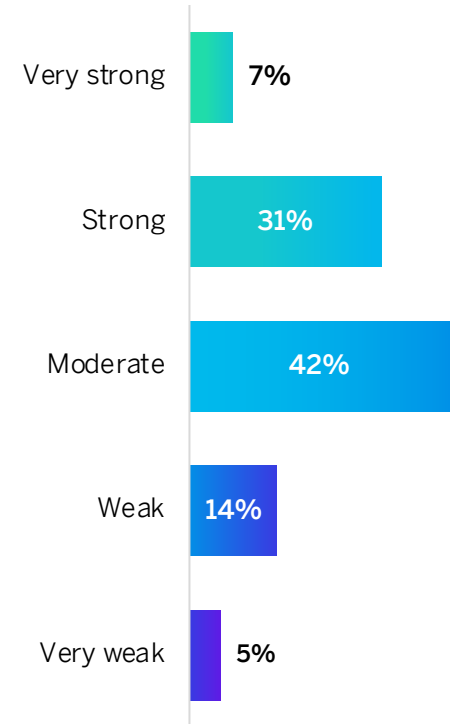
ABOUT

These charts show how respondents describe the level of empathy their organization has toward employees and customers.

How would you describe your organization's level of empathy toward customers?



How would you describe your organization's level of empathy toward employees?

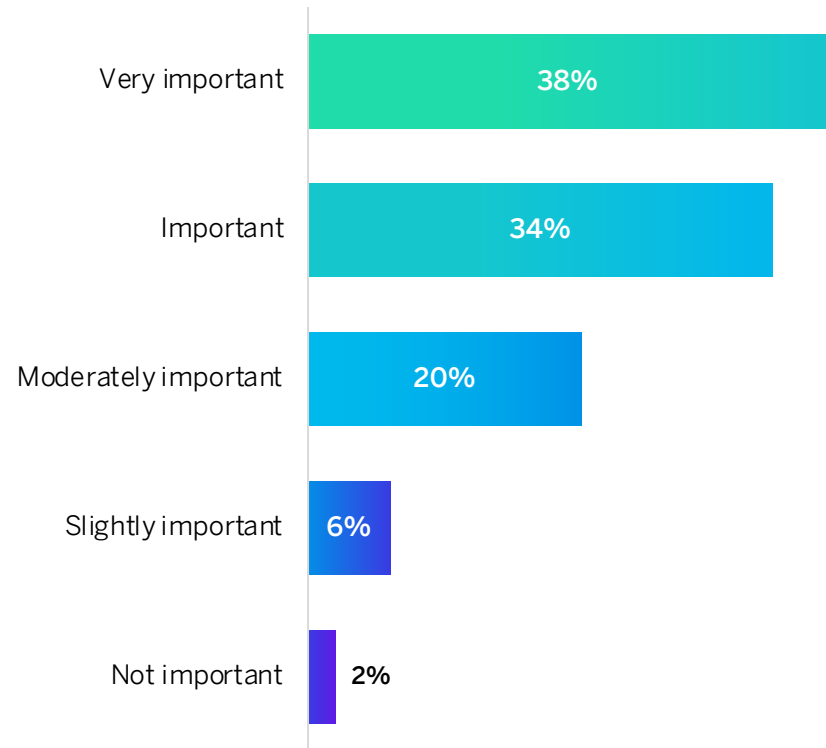


Importance of Improving Empathy

KEY TAKEAWAYS

- + Seventy-two percent of respondents say that it is 'important' or 'very important' for their organization to improve its overall level of empathy.
- + Just 2% of respondents say that it is not important for their organization to improve its overall level of empathy.

How important do you think it is for your organization to improve its overall level of empathy?



ABOUT

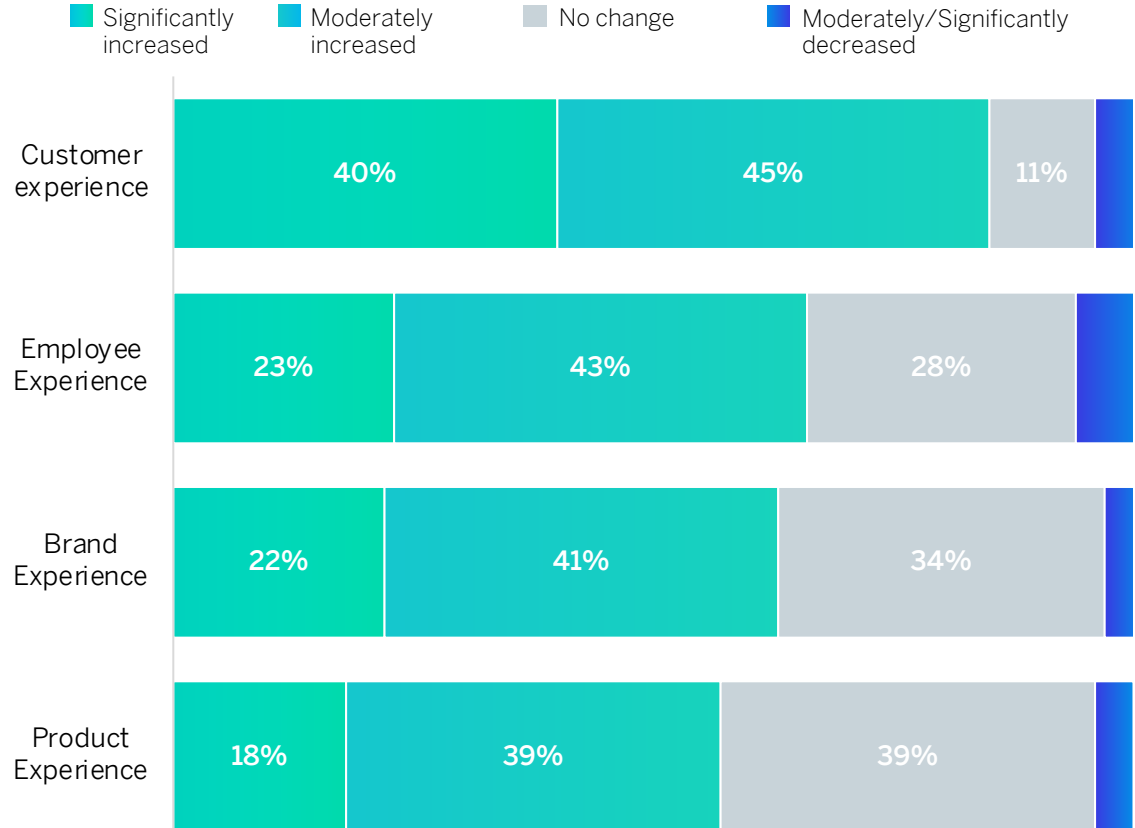
This chart shows how important respondents think it is for their organization to improve its overall level of empathy.

Previous Change in Focus on XM Areas

KEY TAKEAWAYS

- + Focus on customer experience has increased in the past two years for 85% of respondents.
- + Focus on employee experience has increased for 66% of respondents; 28% said there was no change in focus on this experience area.
- + Product experience received the least increase in focus; however, this experience area still had an increase in focus from 57% of organizations.

How has your organization's focus on these elements of Experience Management changed over the past two years?



ABOUT

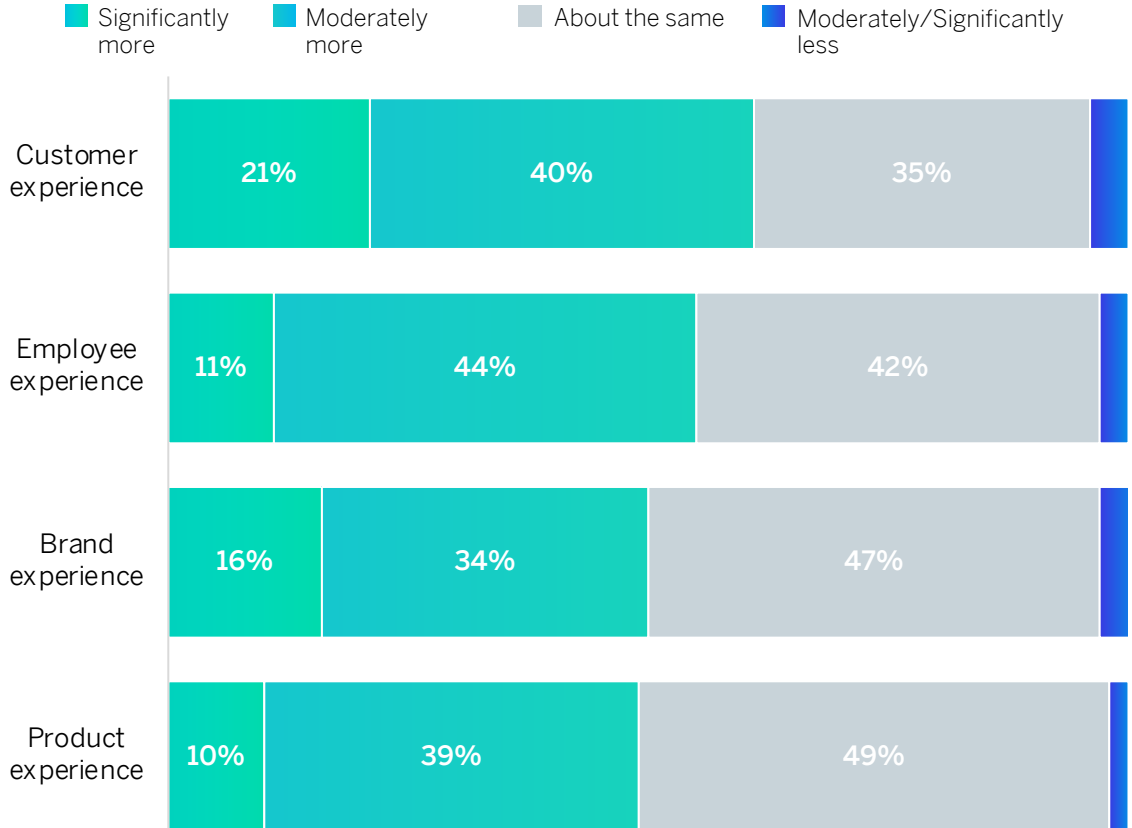
This chart shows the level of priority respondents say their organizations place on improving their customer experience, brand experience, product experience, and employee experience.

Future Change in Focus on XM Areas

KEY TAKEAWAYS

- + Between one-third and half of respondents expect their focus on each experience area to remain the same in 2023 compared to 2022.
- + Customer experience will see the greatest increase in focus in 2023, with 61% expecting more focus compared to 2022.
- + Less than five percent of respondents say that they expect their organization to focus on each experience area less in 2023.

Compared with this year, how much do you think your organization will focus on these elements of Experience Management in 2023?



ABOUT

This chart shows the level of priority respondents say their organizations place on improving their customer experience, brand experience, product experience, and employee experience.

2023 Experience Management Resource Investment

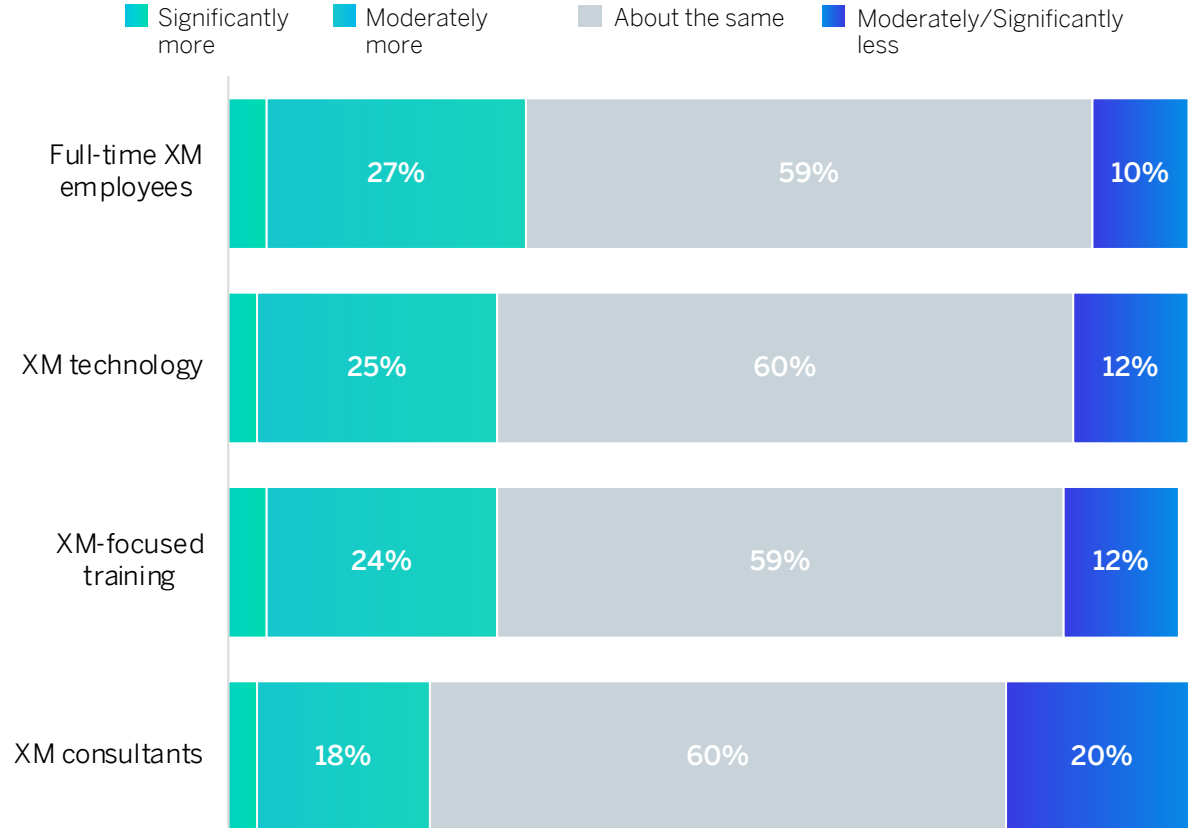
KEY TAKEAWAYS

- + About sixty percent of respondents expect their organizations' investment in each of these resources to stay the same as 2022 in 2023.
- + A similar percentage of respondents expect their organization to spend less on XM consultants than the percent that expects their organization to spend more (20%).
- + Organizations expect to increase their investment in full-time XM employees the most, of all XM resources, at 31%.

ABOUT

This chart shows how respondents think their organization's investment in four experience management resources will change in 2023.

Compared with this year, how much do you think your organization will invest in these Experience Management resources in 2023?



Base: 171 XM Professionals from companies with 1000+ employees
Source: Qualtrics XM Institute Q2 2022 XM Professionals Survey

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2023 Customer Experience Focus

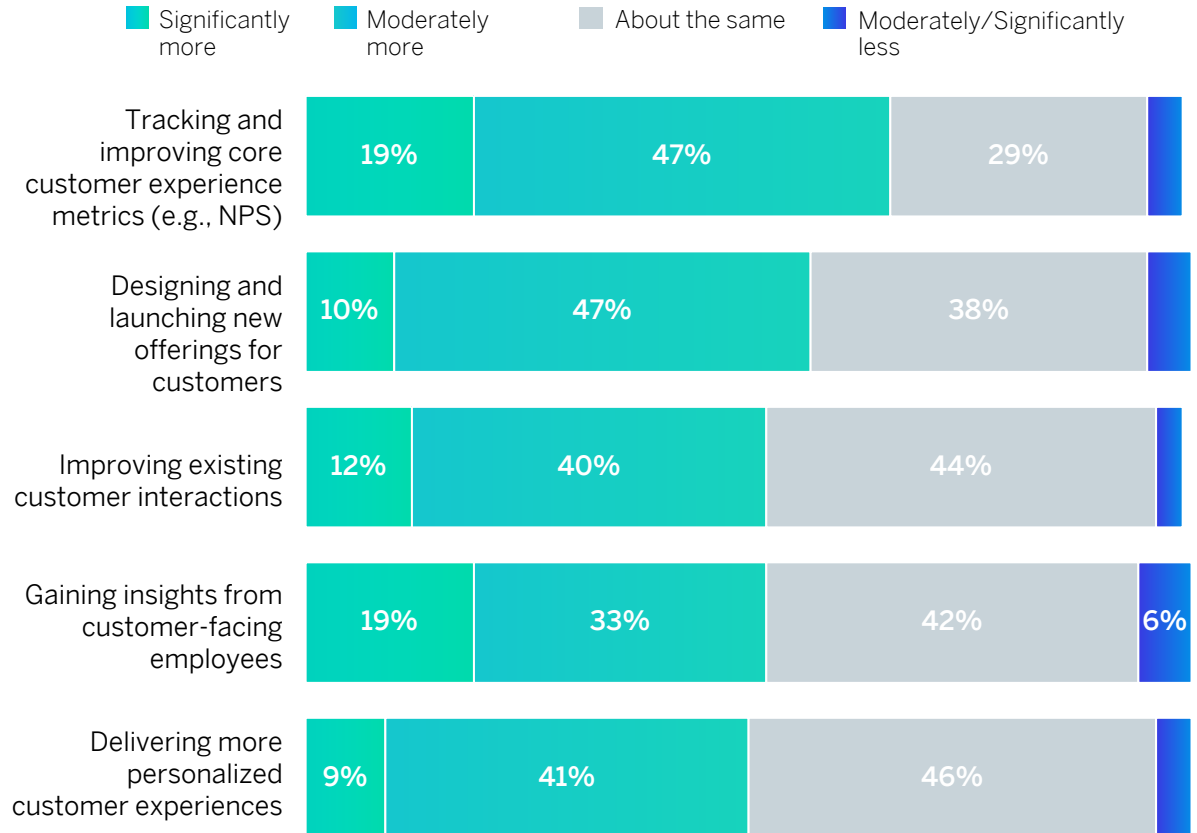
KEY TAKEAWAYS

- + Half or more of respondents expect their organization to put more emphasis on each of these areas of customer experience in 2023.
- + Nearly two-thirds of organizations will place more emphasis on tracking and improving core CX metrics.
- + Fifty-seven percent of organizations will focus more on designing and launching new offerings for customers.

ABOUT

This chart shows how much emphasis respondents think their organization will place on five areas of customer experience in 2023.

Compared with this year, how much emphasis do you think your organization will place on these areas of customer experience in 2023?



2023 Employee Experience Focus

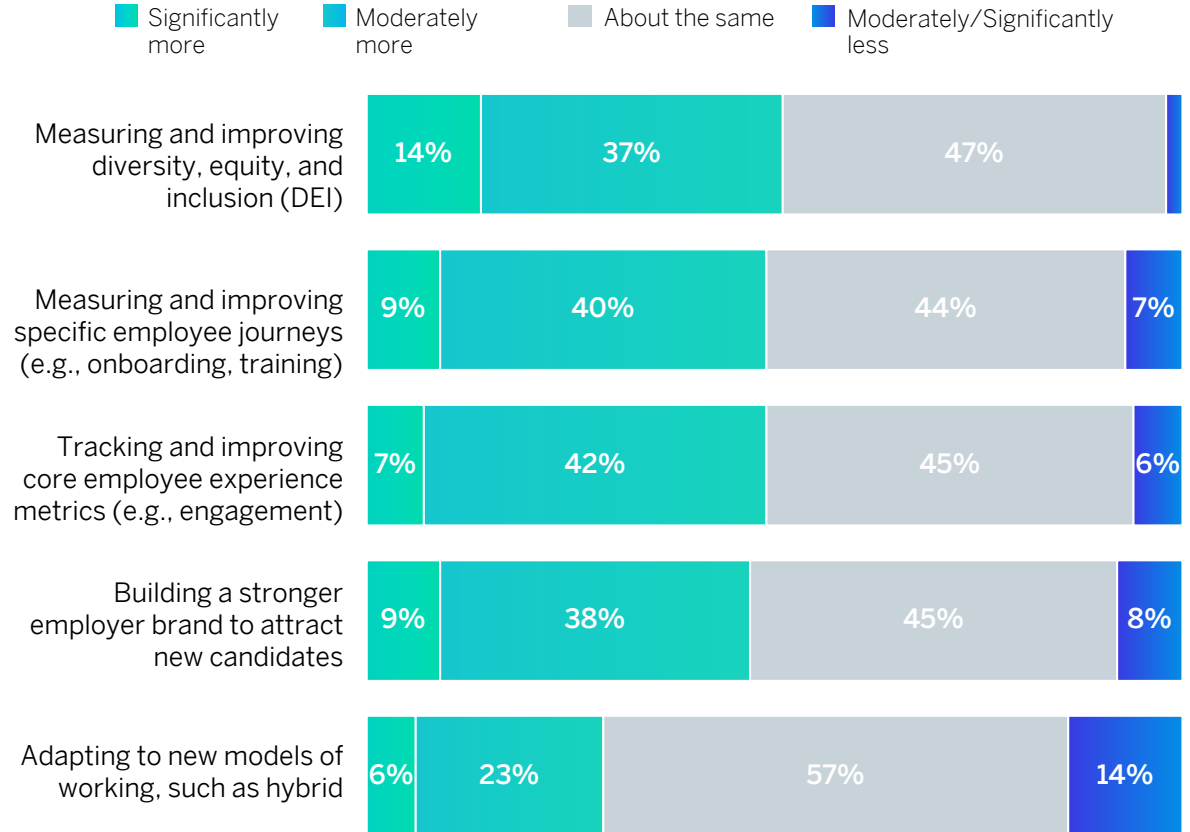
KEY TAKEAWAYS

- + More than half of respondents say they will place more importance on measuring and improving diversity, equity, and inclusion.
- + Forty-nine percent of respondents' organizations will have a larger emphasis on measuring and improving specific employee journeys (e.g., onboarding, training).
- + Less than one-third of organizations intend to place more emphasis on adapting to new models of working.

ABOUT

This chart shows how much emphasis respondents think their organization will place on five areas of employee experience in 2023.

Compared with this year, how much emphasis do you think your organization will place on these areas of employee experience in 2023?



Technologies Usage (Part 1)

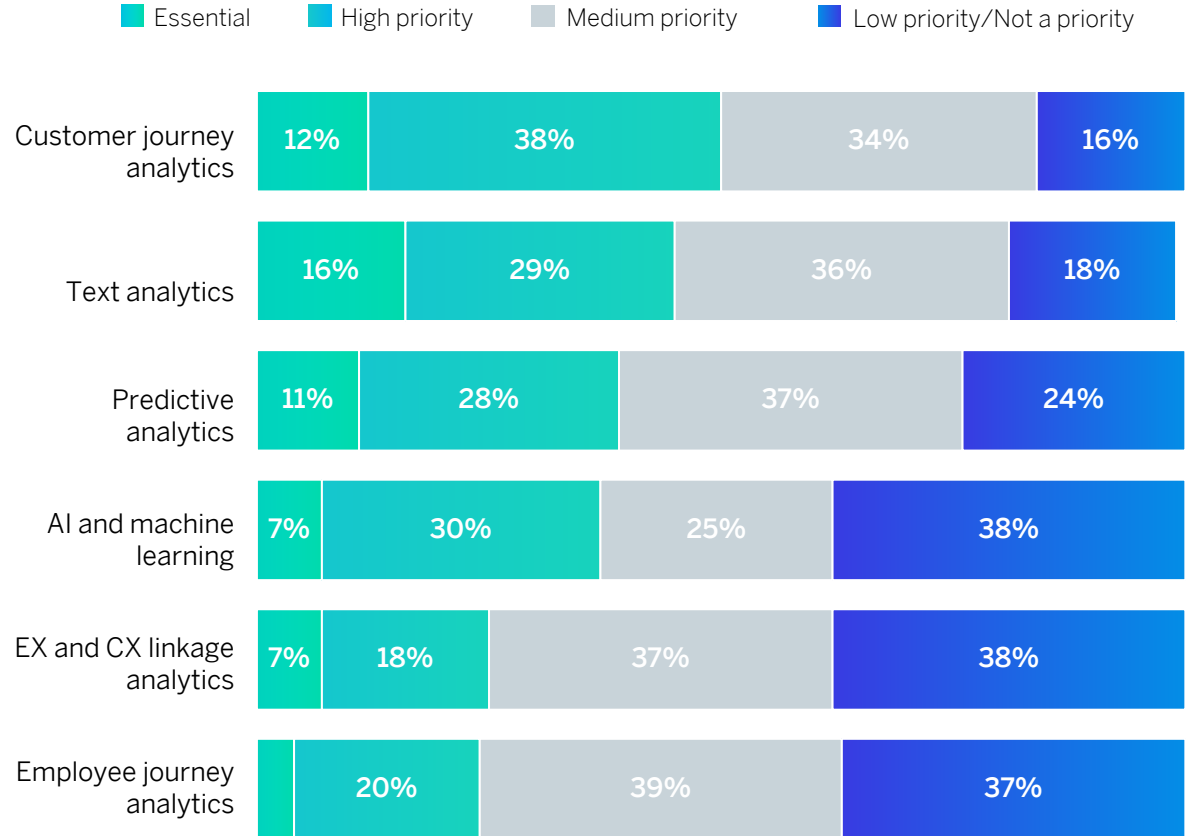
KEY TAKEAWAYS

- + Of these activities, organizations intend to increase focus the most on customer journey analytics and text analytics, with 50% and 45% saying that these are either 'essential' or a 'high priority', respectively.
- + More than one-third of organizations say that increasing focus on AI and machine learning, EX and CX linkages, and employee journey analytics are low or non-priorities.

ABOUT

This chart shows the level of priority respondents say their organizations place on improving these elements of experience management.

How much of a priority will it be for your experience management efforts to increase focus on these elements over the next two years?

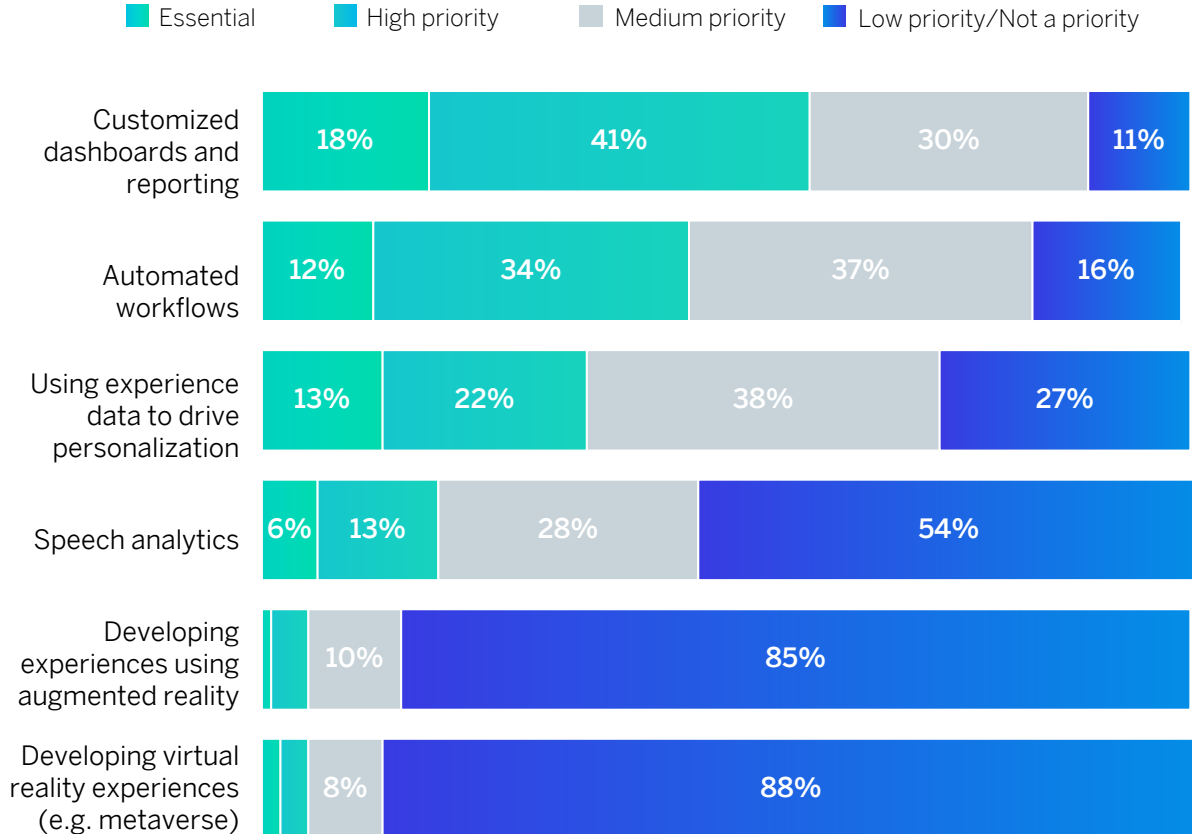


Technologies Usage (Part 2)

KEY TAKEAWAYS

- + Of these activities, organizations will most prioritize increasing focus on customized dashboards and reporting, with 59% saying this will either be 'essential' or a 'high priority'.
- + Forty-six percent of organizations will place a 'high priority' or greater on increasing focus on automated workflows.
- + Over four in five organizations intend to place a low or no priority on increasing focus to develop augmented reality or virtual reality experiences.

How much of a priority will it be for your experience management efforts to increase focus on these elements over the next two years?



ABOUT

This chart shows the level of priority respondents say their organizations place on improving these elements of experience management.

Combining Operational and Experience Data

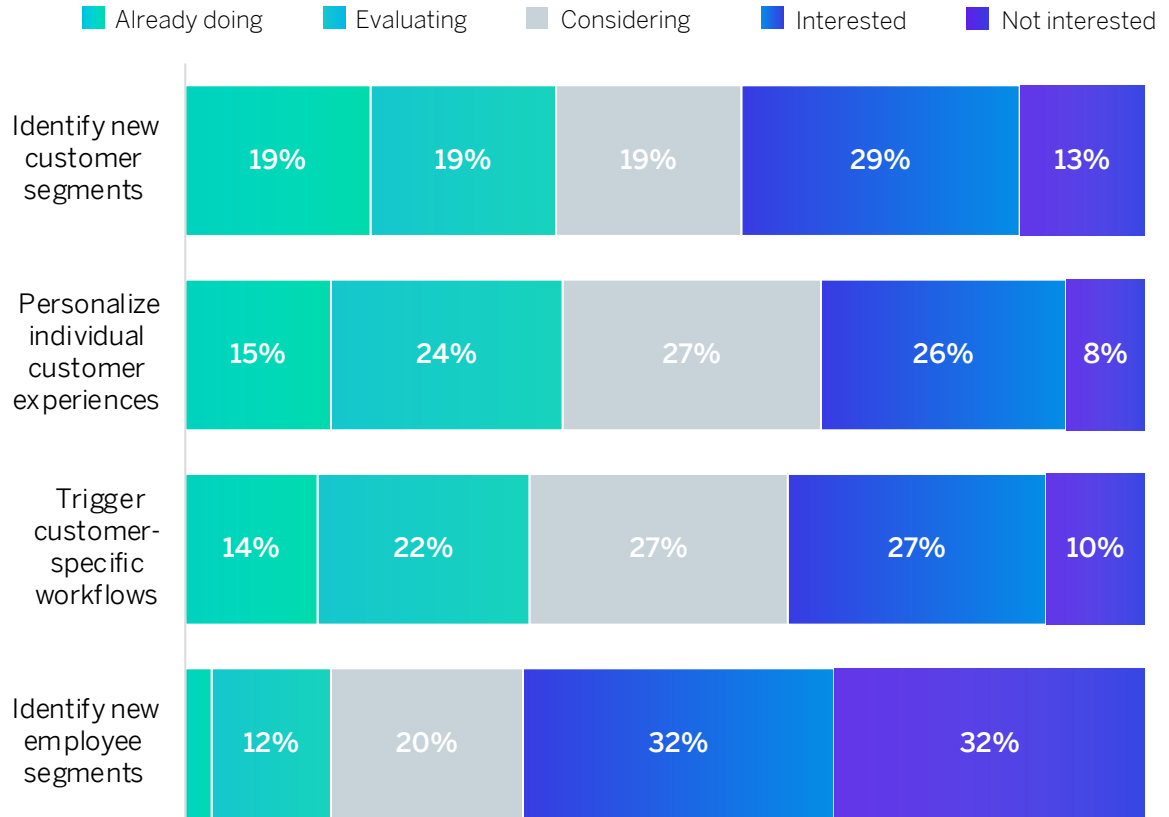
KEY TAKEAWAYS

- + Organizations are most frequently combining operational and experience data to identify new customer segments, with 19% currently doing so.
- + In addition to 15% already performing this analysis, 51% of organizations are 'evaluating' or 'considering' using operational and experience data to personalize individual customer experiences. Just 8% are not interested in this activity.
- + Only 3% of organizations are identifying new employee segments using a combination of operational and experience data. 32% are not interested in this activity.

ABOUT

This chart shows to what degree organizations are combining operational and experience data to do each activity.

To what degree are you combining operational data and experience data (insights about how people are thinking and feeling) to do the following?



Change in XM Focus by Business Results

KEY TAKEAWAYS

- + Sixty percent of organizations with better than competitor business results describe their organization's empathy toward customers as strong, while just 30% of organizations with similar or worse than competitor business results would say the same.
- + Fifty-one percent of organizations with better business results than competitor business results say their organization's empathy towards employees is strong, compared to just 29% for those with similar or worse business results.

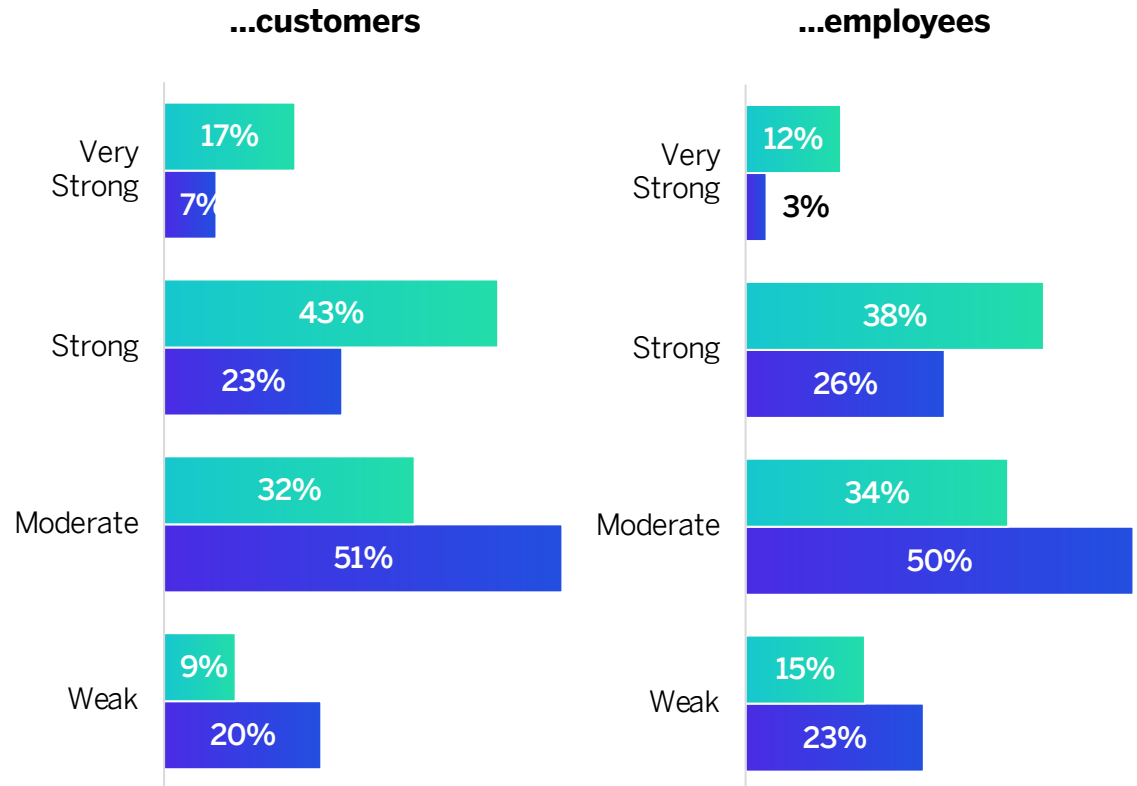
ABOUT

These charts show how respondents from organizations with better business results compared with competitors versus those with similar or worse results than competitors describe the strength of their organization's empathy toward customers and employees.

How would you describe your organization's level of empathy toward...

('Moderately' or 'Significantly increased')

■ Better than competitor business results ■ Same or worse than competitor business results



Base: 171 XM Professionals from companies with 1000+ employees
Source: Qualtrics XM Institute Q2 2022 XM Professionals Survey

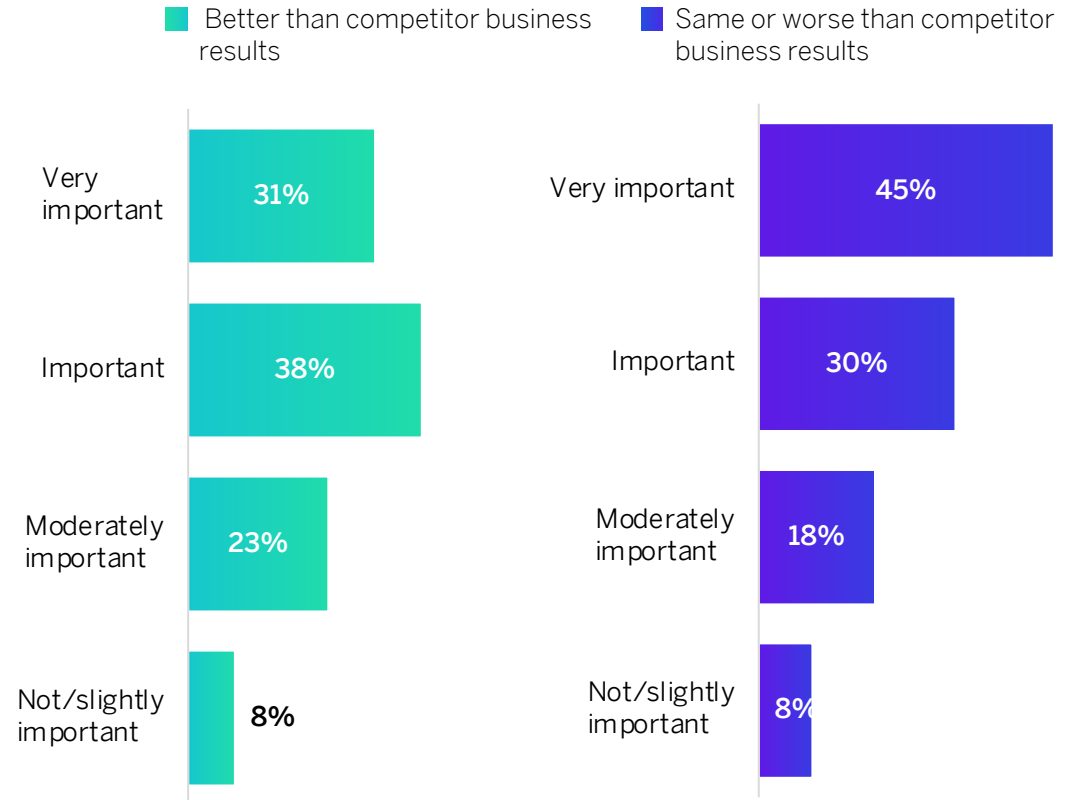
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Empathy Importance by Business Results

KEY TAKEAWAYS

+ Seventy-five percent of respondents from organizations with similar or worse than competitor business results say that it is important or very important for them to improve their level of empathy, while 69% from organizations with better business results say the same.

How important do you think it is for your organization to improve its overall level of empathy?



ABOUT

These charts show how respondents from organizations with better business results compared with competitors versus those with similar or worse results than competitors rate the importance of improving organizational empathy.

2023 XM Resource Investment by Future CX Focus

KEY TAKEAWAYS

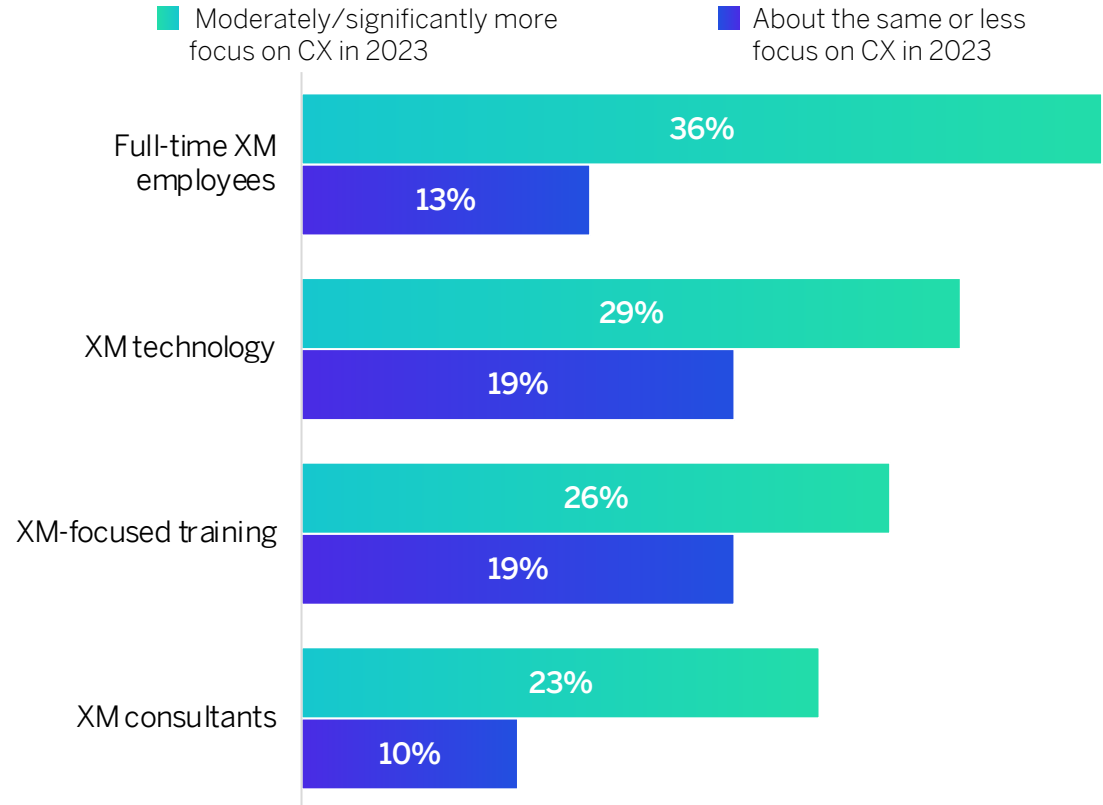
+ More than double the percentage of respondents that expect to focus more on customer experience in 2023 plan to invest in full-time XM employees and XM consultants compared to those that do not expect their organization to focus more on CX.

ABOUT

These charts show how respondents from organizations that will focus 'moderately' or 'significantly' more on CX in 2023 compared to those that will not focus more on CX say they will invest in each experience management resource in 2023.

Compared with this year, how much do you think your organization will invest in these Experience Management resources in 2023?

('Moderately' or 'Significantly more')



2023 CX Emphasis by Future CX Focus

KEY TAKEAWAYS

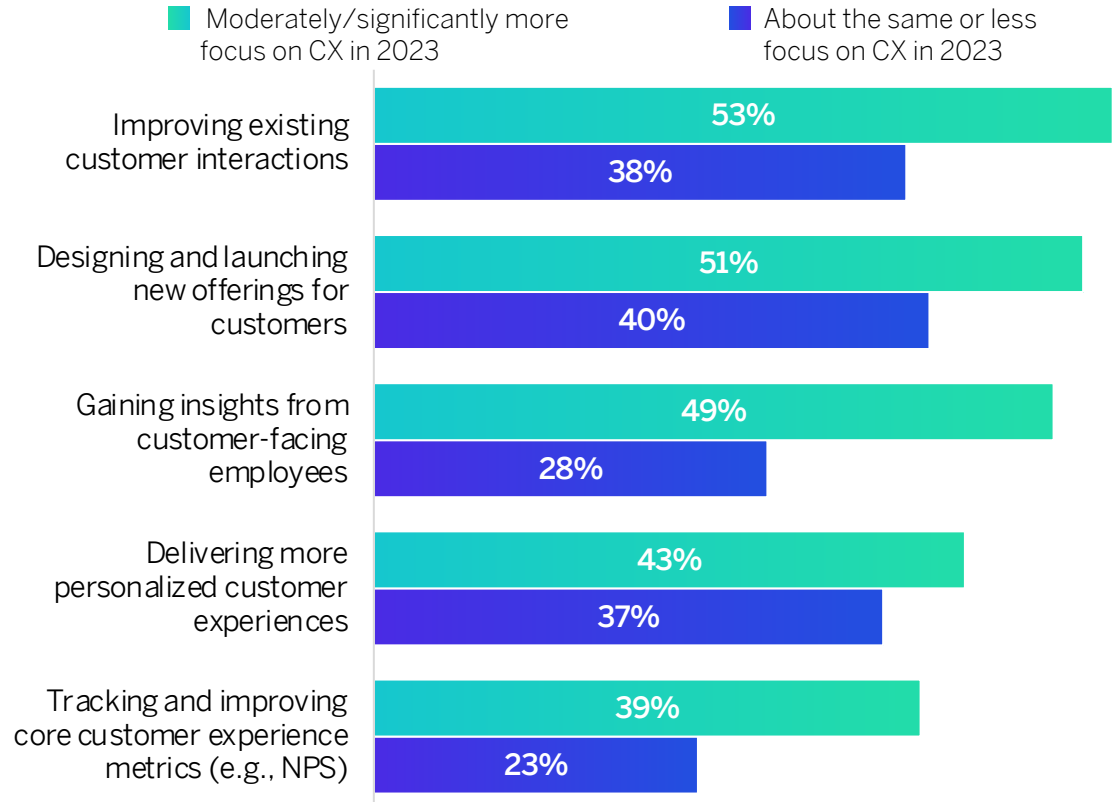
+ There is a 21 percentage-point gap between respondents who do and don't expect their organization to focus more on CX in 2023 in their expectation to increase gathering insights from customer-facing employees, the largest gap across all items.

ABOUT

These charts show how respondents from organizations that will focus 'moderately' or 'significantly' more on CX in 2023 compared to those that will not focus more on CX say they will emphasize each area of customer experience in 2023.

Compared with this year, how much emphasis do you think your organization will place on these areas of customer experience in 2023?

('Moderately' or 'Significantly more')



2023 EX Emphasis by Future CX Focus

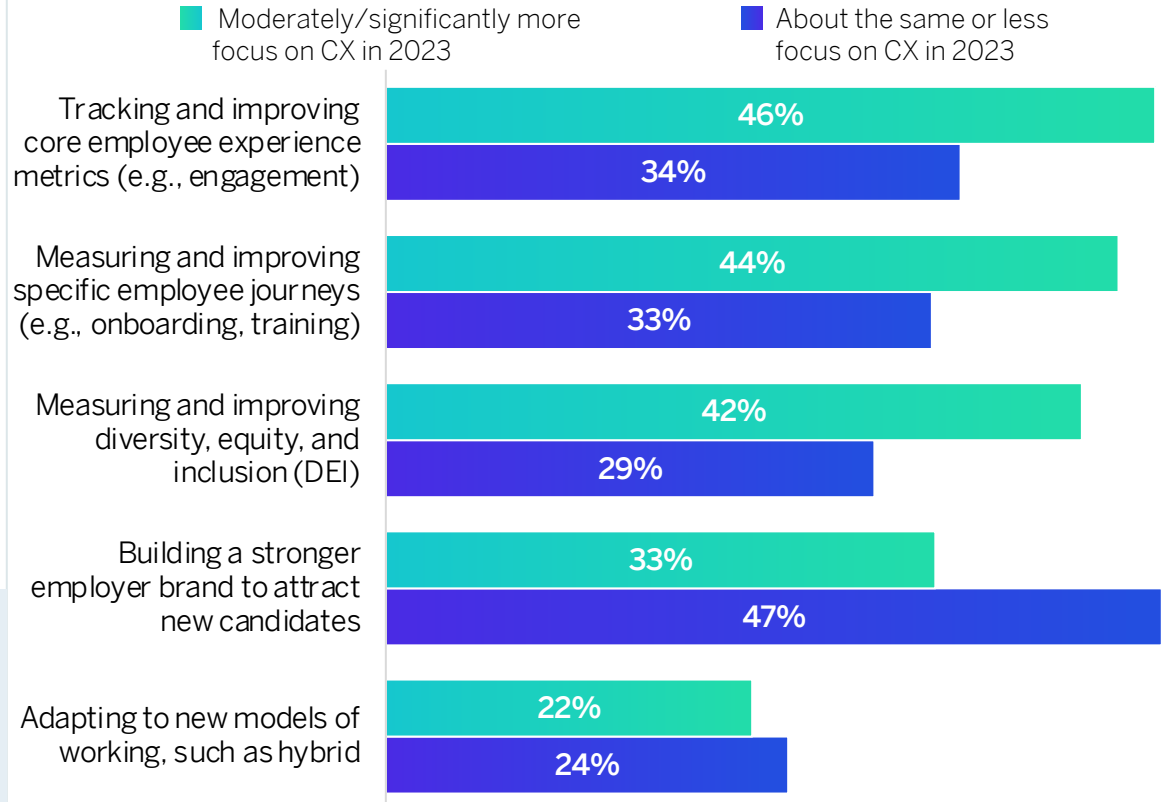
KEY TAKEAWAYS

- + Organizations that will focus more on CX in 2023 will also place more emphasis than those that will not focus more on tracking and improving EX metrics, measuring and improving specific employee journeys, and measuring and improving DEI.
- + Organizations that do not intend to focus more on CX in 2023 will place more emphasis than those that do on building a stronger employer brand and adapting to new models of working.

ABOUT

These charts show how respondents from organizations that will focus 'moderately' or 'significantly' more on CX in 2023 compared to those that will not focus more on CX say they will emphasize each area of employee experience in 2023.

Compared with this year, how much emphasis do you think your organization will place on these areas of employee experience in 2023?
(‘Moderately’ or ‘Significantly more’)



Base: 171 XM Professionals from companies with 1000+ employees
Source: Qualtrics XM Institute Q2 2022 XM Professionals Survey

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Technologies Usage by Future CX Focus (Part 1)

KEY TAKEAWAYS

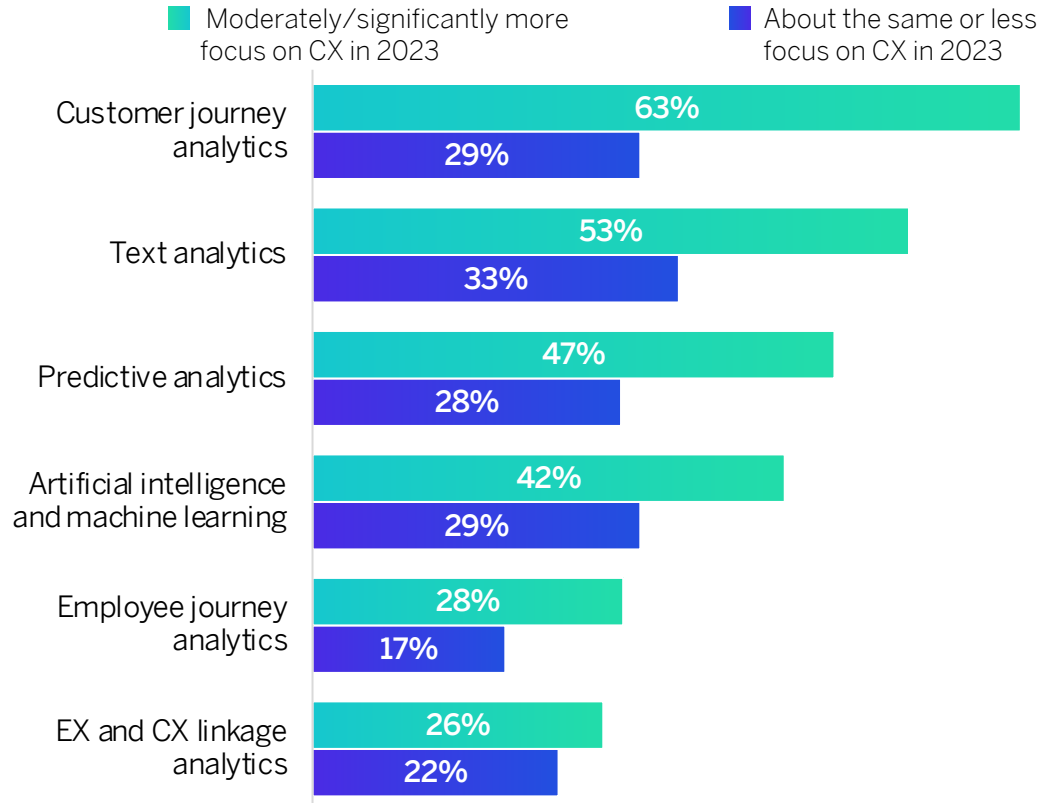
- + Organizations that will focus more on CX in 2023 are more likely to say these elements are a high priority to increase focus on over the next two years compared to organizations that will not focus more on CX.
- + Organizations that will focus more on CX say they will place a high priority on customer journey analytics 24 points more frequently than organizations that will not focus more on CX.

ABOUT

These charts show the percentage of respondents from organizations that will focus 'moderately' or 'significantly' more on CX in 2023 compared to those that will not focus more on CX that will place a high priority or greater on increasing focus for each element over the next two years.

How much of a priority will it be for your experience management efforts to increase focus on these elements over the next two years?

('High priority' or 'Essential')



Base: 171 XM Professionals from companies with 1000+ employees
Source: Qualtrics XM Institute Q2 2022 XM Professionals Survey

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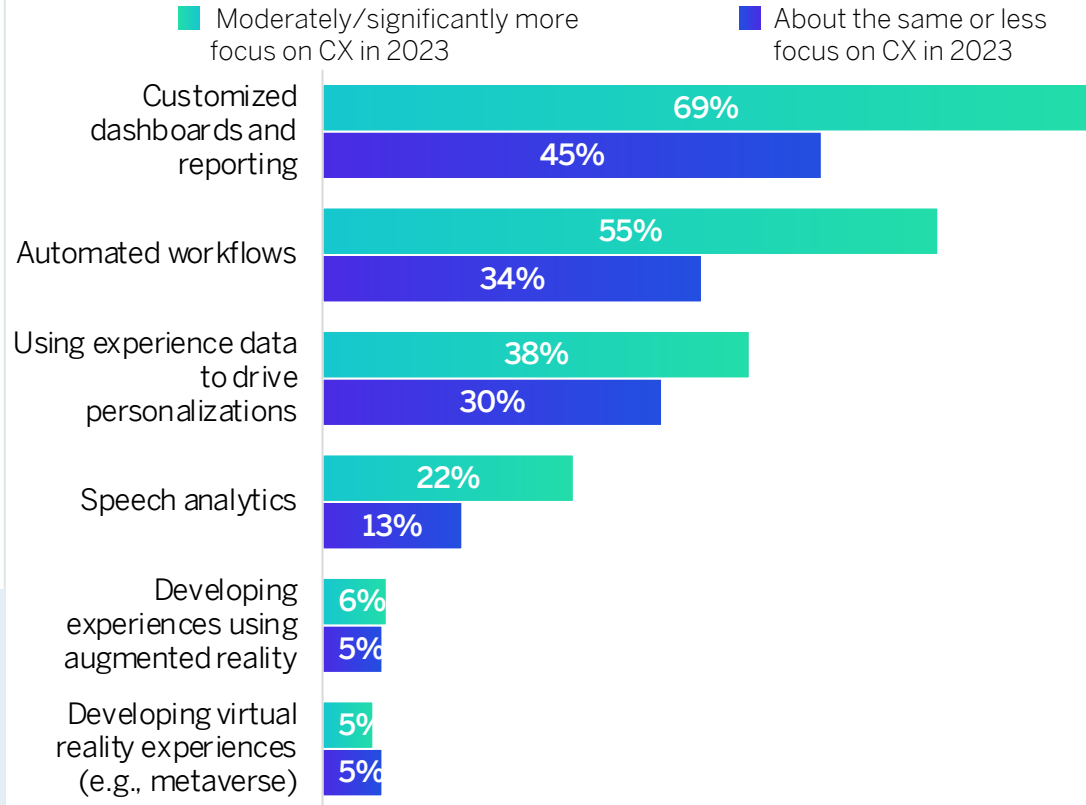
Technologies Usage by Future CX Focus (Part 2)

KEY TAKEAWAYS

- + Organizations that will focus more on CX in 2023 are more likely to say that all elements except virtual reality experiences are a high priority to increase focus on over the next two years compared to organizations that will not focus more on CX.
- + There is a 26-point gap between those that will and will not increase focus on CX in 2023 and place a high priority to increase focus on customized dashboards and reporting.

How much of a priority will it be for your experience management efforts to increase focus on these elements over the next two years?

(‘High priority’ or ‘Essential’)



ABOUT

These charts show the percentage of respondents from organizations that will focus ‘moderately’ or ‘significantly’ more on CX in 2023 compared to those that will not focus more on CX that will place a high priority or greater on increasing focus for each element over the next two years.

DATA CALCULATION

In **Figures 1-11**, we calculated each percentage by dividing the number of respondents selecting each option by the total number of responses for that question.

In **Figures 12** and **13**, we calculated the number of respondents that said their organization had 'better' or 'significantly better' overall business results compared to their competitors versus those that said their organization had 'about the same', 'worse', or 'significantly worse' overall business results. We then found the percentage of each population that also selected each statement in regard to the titled question.

In **Figures 14-18**, we calculated the number of respondents that said they expect their organization to focus 'moderately' or 'significantly' more on customer experience in 2023 versus those that said they expect their organization to focus 'about the same', 'moderately less', or 'significantly less' on customer experience in 2023. We then found the percentage of each population that also selected each statement in regard to the titled question and element.

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