



DATA SNAPSHOT

# The State of CX Management, 2023

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# Executive Summary

## KEY FINDINGS IN THIS REPORT

To understand the current state of customer experience (CX) management, Qualtrics XM Institute surveyed 220 CX practitioners at companies with 1,000 or more employees about their organizations' CX efforts and asked them to complete our CX Competency & Maturity Assessment. Highlights from the research include:

- + **CX is a high priority.** Customer experience is a 'significant' or 'critical' priority for 66% of organizations. Seventy-eight percent have a centralized customer experience team, and 62% have a senior executive in charge of CX across products and channels.
- + **Most organizations are in the first two stages of CX maturity.** Just 3% of organizations reached the highest stage of maturity, Embed. More than two-thirds of organizations fell into the first two stages of maturity, Investigate (36%) and Initiate (31%), Evaluate your organization's CX skills and competencies to find out your current performance using the [Customer Experience \(CX\) Maturity Assessment](#).
- + **Organizations are planning to expand into new CX technologies.** Sixty percent of respondents said their organization is planning to use text analytics 'somewhat' or 'significantly' more than they were doing so last year. Forty-nine percent of respondents' organizations plan to use journey analytics more, as well.
- + **CX Leaders' business outcomes benefit more from their CX programs.** Compared to CX laggards, CX Leaders (companies with CX Competency & Maturity Assessment scores above the median score) were more likely to report that their CX programs have significantly improved key business outcomes for their organization, including customer retention, cross-selling, employee retention, and cost reduction.
- + **'Other competing organizational priorities' is the top obstacle to CX success.** Both CX Leaders and CX Laggards cited this as a significant obstacle to their CX management efforts, with Laggards citing this 14 percentage-points more frequently. The largest gap between CX Leaders' and Laggards' obstacles was for 'inconsistent executive buy-in'— Laggards cited this obstacle 43 percentage-points more than CX leaders.

## STUDY KEY FACTS

- 220 CX Practitioners
- Organizations with 1,000+ employees
- Sourced through the XM Institute network
- Q1 2023 study

# The State of CX Management, 2023

## STUDY OVERVIEW

The data for this report comes from a customer experience management study that Qualtrics XM Institute conducted in the first quarter of 2023. Using an online survey, XM Institute collected data from 220 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 XM Pros (Experience Management Professionals community), and other professional networking sites.

## FIGURES IN THE REPORT

1. Time with Centralized CX Team and Leader
2. Priority of Improving XM
3. Effectiveness of Customer Interaction Channels
4. Evaluating CX Technology, Competency, and Culture
5. Evaluating CX Agility
6. Core CX Metric and Customer Listening Posts
7. Usage of Insights from Listening Posts
8. Obstacles to CX Success
9. Looking Ahead: CX Technologies
10. Calculating the CX Maturity Assessment
11. CX Competency and Maturity Results
12. CX Competencies: Leaders Versus Laggards
13. CX Agility: Leaders Versus Laggards
14. Company Culture: Leaders Versus Laggards
15. Business Outcomes: Leaders Versus Laggards
16. Financial Benefits: Leaders Versus Laggards
17. Channel Effectiveness: Leaders Versus Laggards
18. Core CX Metrics: Leaders Versus Laggards
19. Usage of Listening Posts: Leaders Versus Laggards
20. Effectiveness of Listening Posts: Leaders Versus Laggards
21. Obstacles to CX Success: Leaders Versus Laggards

*Methodology*

# Time with Centralized CX Team and Leader

## KEY TAKEAWAYS

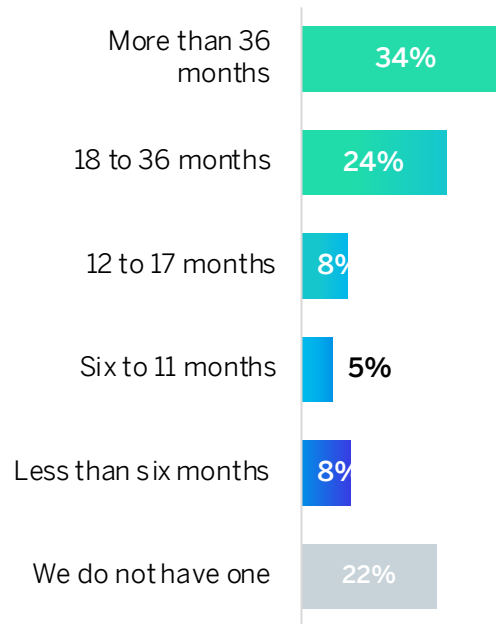
- + Thirty-four percent of respondents have had a centralized customer experience group for more than a year and a half.
- + Thirteen percent of respondents have established a centralized customer experience group in the past year, while 10% have created a senior executive position in charge of CX in the same time period.
- + More than one in three respondents don't have a senior executive in charge of customer experience across products and channels.

## ABOUT

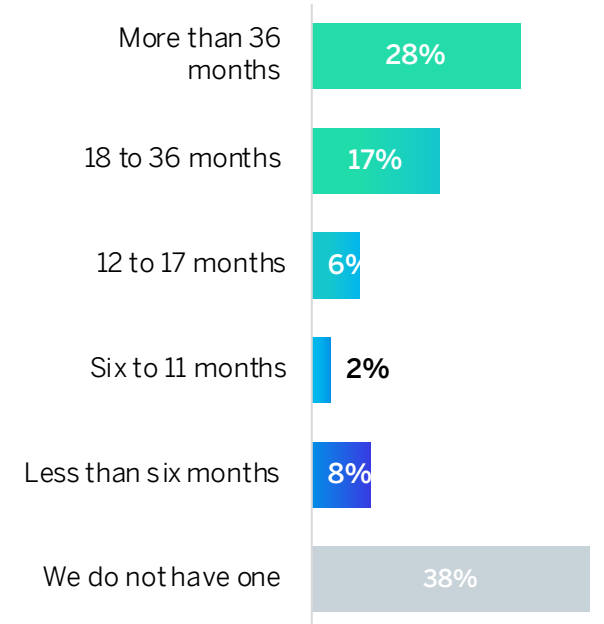
This chart shows the percentage of organizations that have a senior executive in charge of CX and has a centralized CX group, and the length of time each of these has existed.

## 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?

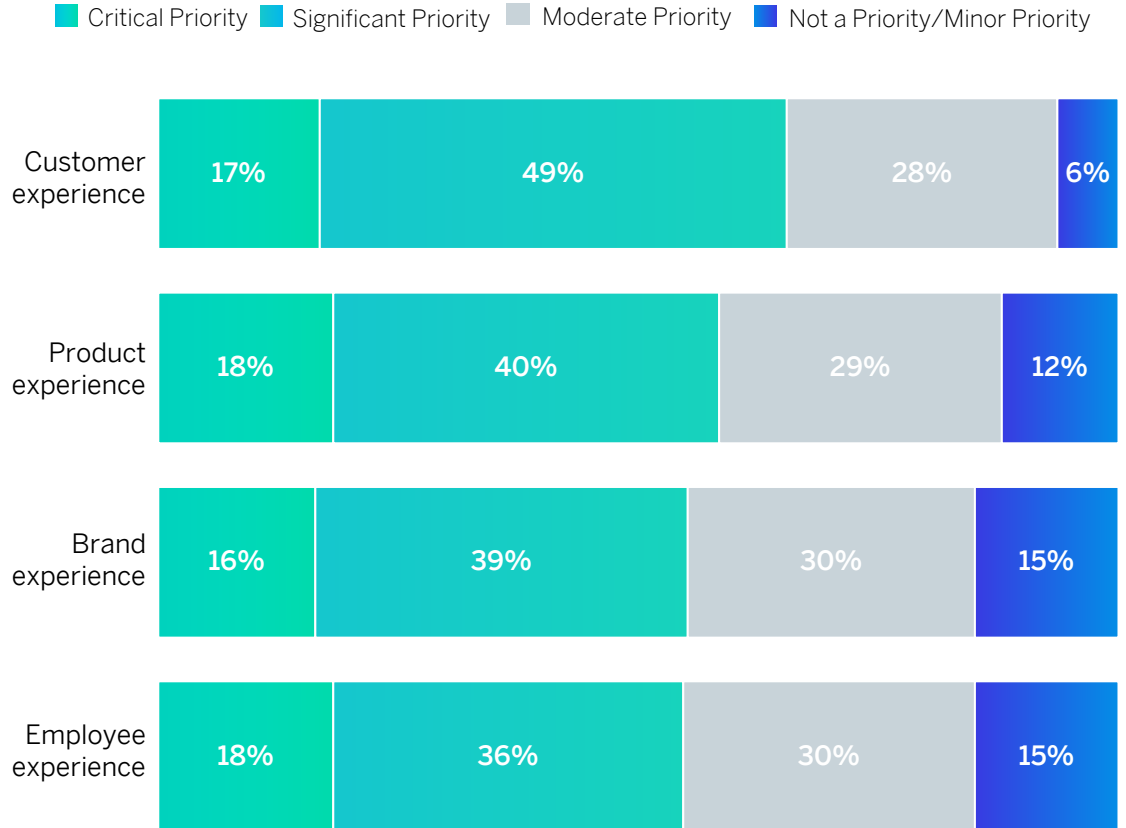


# Priority of Improving XM

## KEY TAKEAWAYS

- + Organizations most frequently placed a significant or greater level of priority on customer experience, with 66% doing so.
- + Product experience received the second highest amount of attention, at 58%.
- + Fifteen percent of organizations placed no or very low priority on improving brand and employee experience.

## What priority does your organization put on improving the following:



## 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.

# Effectiveness of Customer Interaction Channels

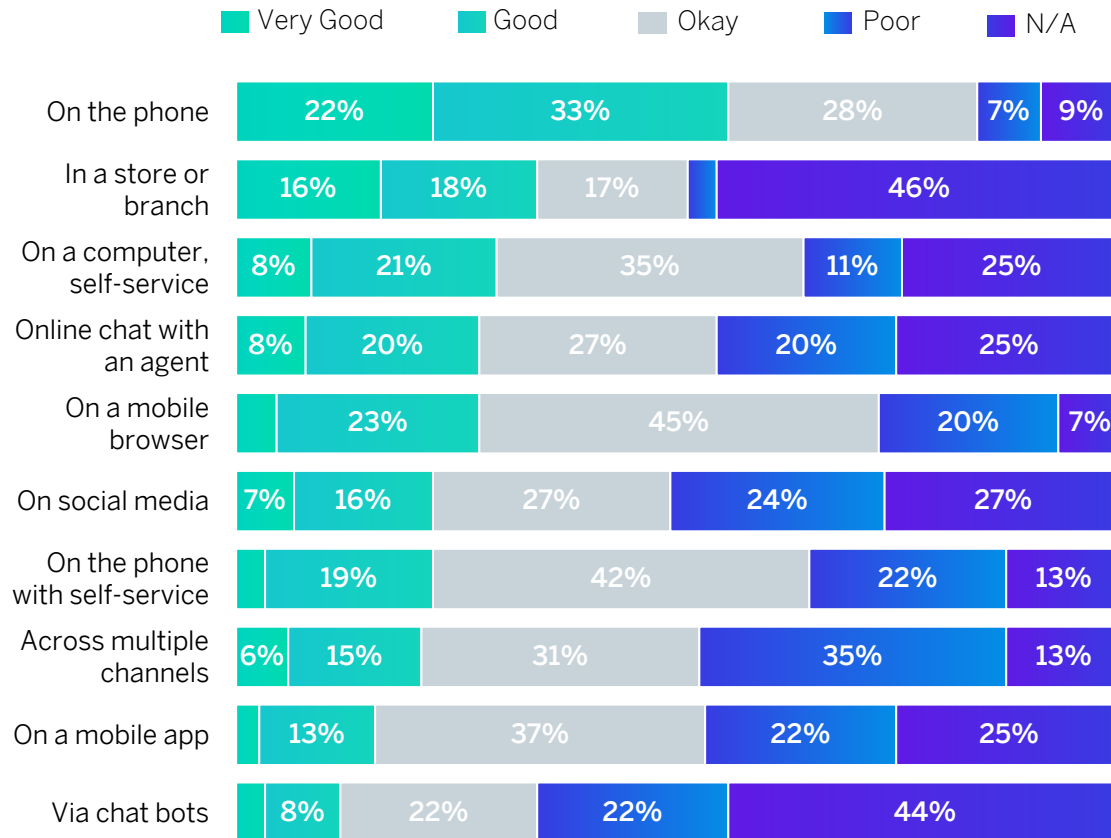
## KEY TAKEAWAYS

- + Respondents rated the customer experience their organization delivers on the phone the highest, with 55% saying this experience is at least 'good'.
- + Customer experience delivered through chatbots was rated as 'good' least frequently by respondents (11%).
- + Respondents most frequently rated the customer experience their organization delivers 'across multiple channels' as poor, at 35%.

## ABOUT

This chart shows the percentage of organizations that use each interaction channel and the quality of the customer experience that they deliver through each channel, according to respondents.

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



# Evaluating CX Technology, Competency and Culture

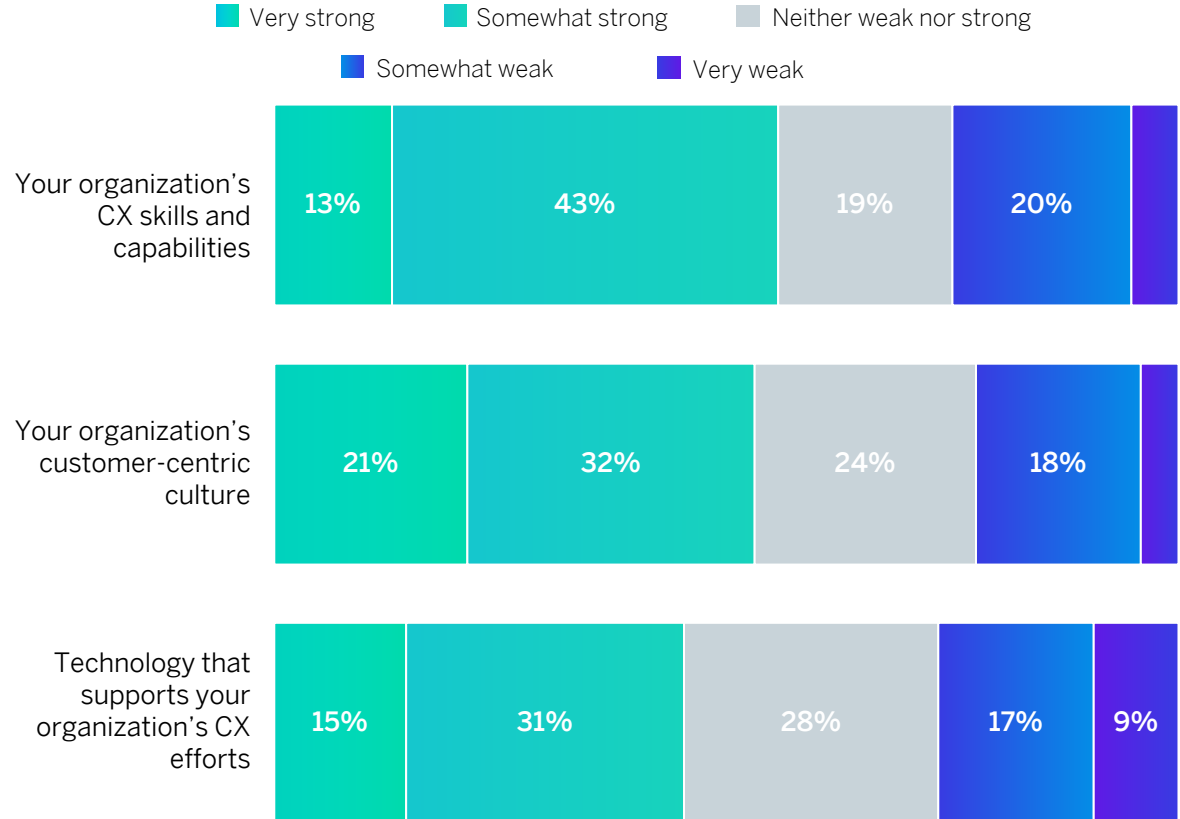
## KEY TAKEAWAYS

- + Over half of respondents rated their organization's CX skills and capabilities as 'somewhat' or 'very' strong.
- + Respondents rated their organization's strength in technology the lowest, with just 46% saying their capabilities in this area are strong.

## ABOUT

This chart shows the strength of organizations' CX culture, skills and capabilities, and technology, according to respondents.

### How would you rate your organization in the following areas?



# Evaluating CX Agility

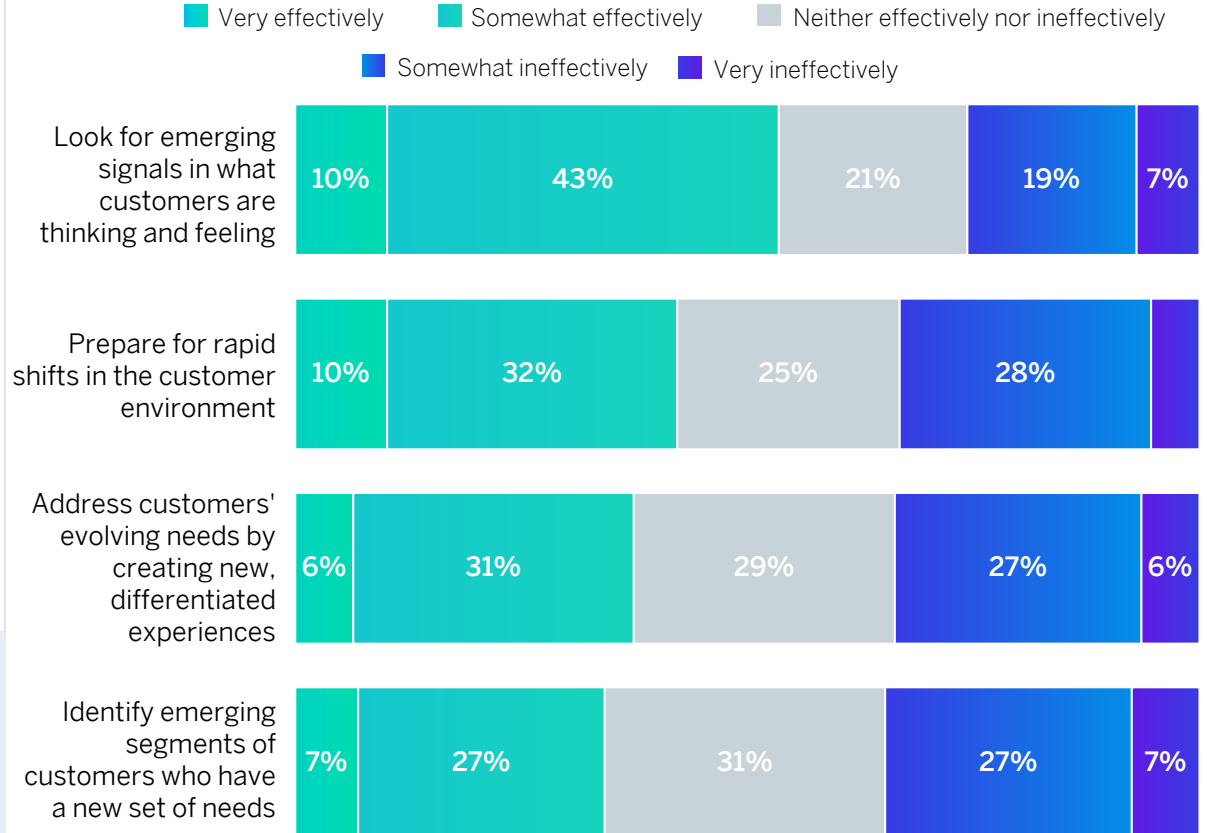
## KEY TAKEAWAYS

- + Over half of organizations at least 'somewhat effectively' look for emerging signals in what customers are thinking and feeling.
- + Twenty-six percent or more of respondents said their organization is ineffective at doing each agility activity.
- + Organizations are least effective at identifying segments of customers who have a new set of needs, with just 34% doing this activity effectively.

## ABOUT

This chart shows how effective respondents rate their organization at each customer experience agility ability.

## How effectively does your organization do the following?





# Core CX Metric and Customer Listening Posts

## KEY TAKEAWAYS

- + Seventy percent of organizations use NPS as one of their core CX metrics, while another 2% use a 'likelihood to recommend' metric that is not NPS.
- + Just 4% of organizations do not have a core CX metric, and only 3% don't use any of the six listening elements listed.
- + More than three-quarters of respondents said their CX program includes relationship tracking, and more than two-thirds said they use interaction feedback.

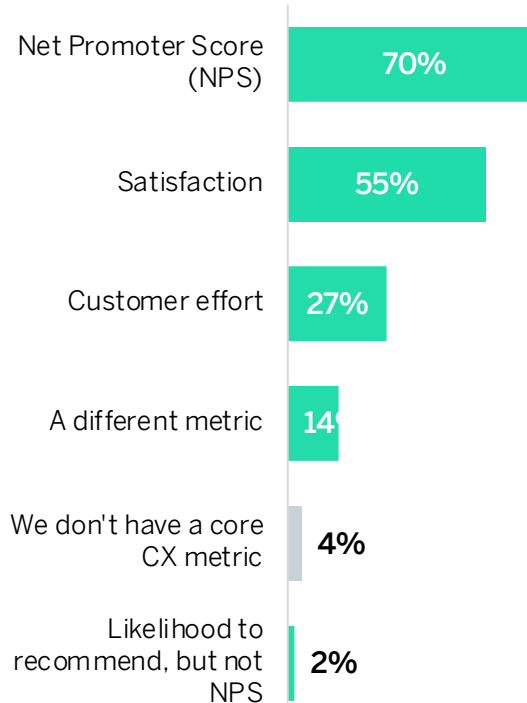
## ABOUT

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

## CX Metrics and Listening Posts

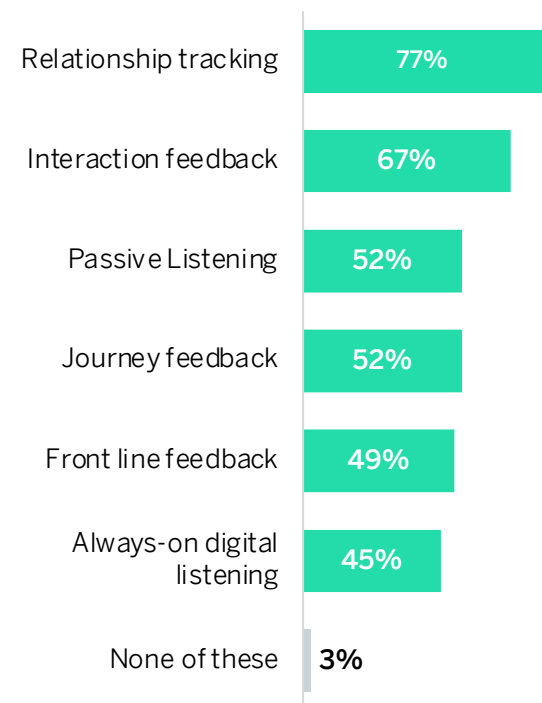
### Which of the following is your core CX metric?

(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)

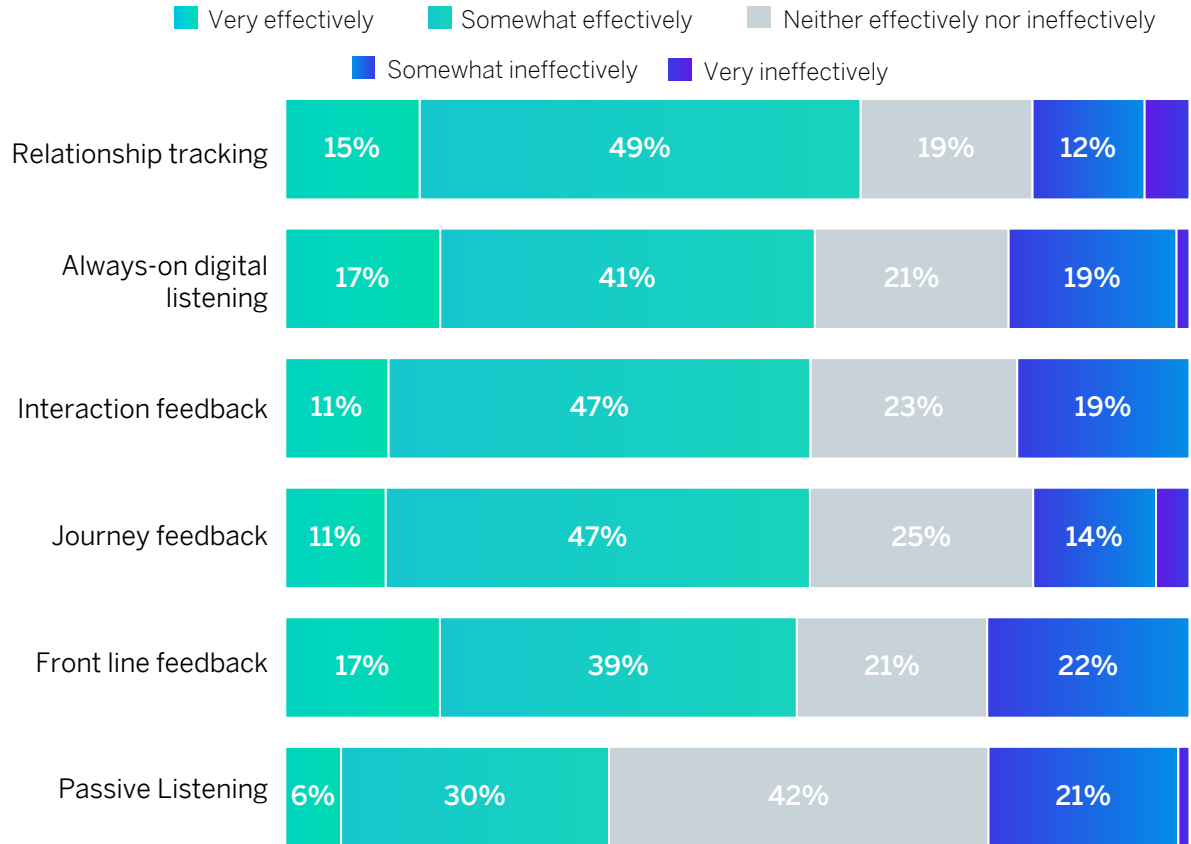


# Usage of Insights from Listening Posts

## KEY TAKEAWAYS

- + Respondents' organizations are most effective at using relationship tracking to make changes, with 64% saying they do this. Under 60% of organizations are effective at making changes using all other listening posts, according to respondents.
- + Organizations are least effective at using insights from passive listening posts to make changes.

### How effectively does your organization make changes based on insights from the following sources?



## ABOUT

This chart shows how effectively respondents say their organization is at making changes based on insights from six listening sources.

# Obstacles to CX Success

## KEY TAKEAWAYS

- + Respondents most frequently cited 'other competing priorities' as an obstacle to their organization's CX management efforts (66%), followed by 'poor integration across systems' (55%).
- + 'Non supportive organizational culture' was cited as an obstacle least frequently.
- + All organizations face at least one of these obstacles, with 0% of respondents citing 'none of the above'.

## 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)



# Looking Ahead: CX Technologies

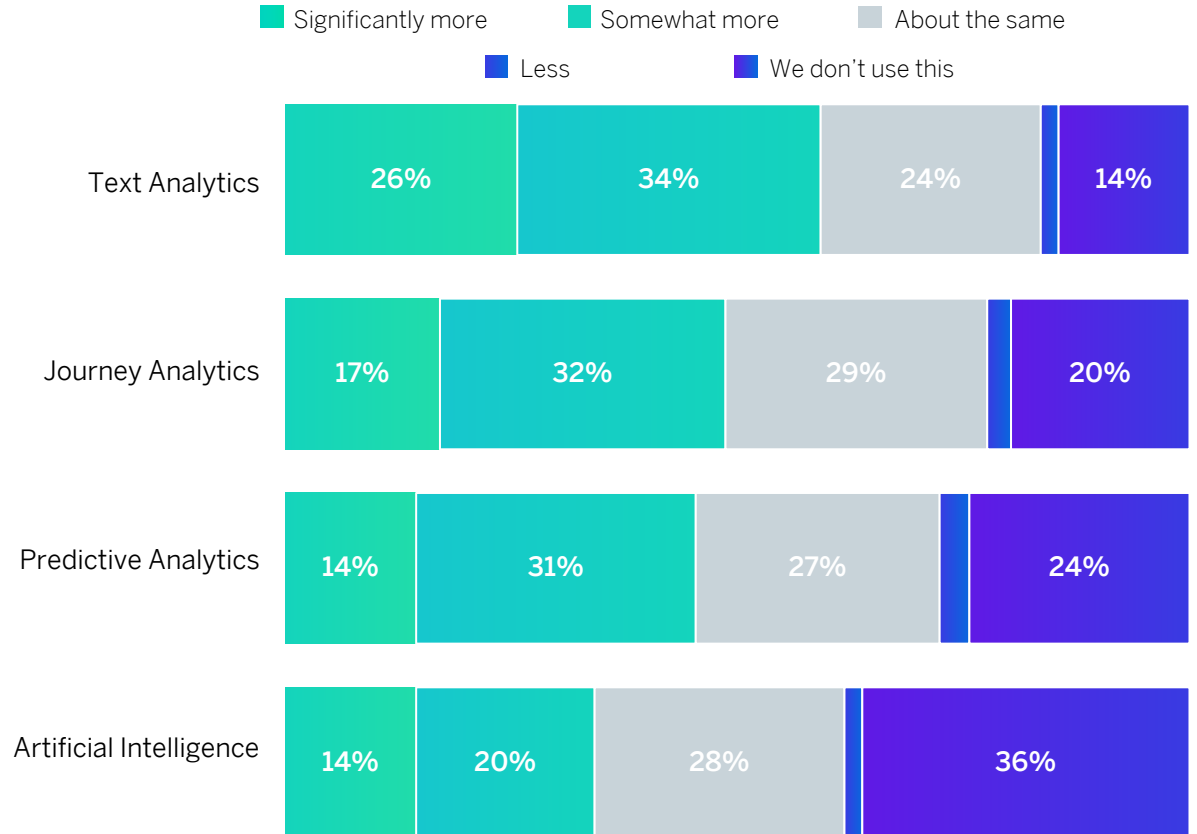
## KEY TAKEAWAYS

- + More than one-third of organizations are looking to use each of these technologies more, while 24% or more are looking to keep their usage steady compared to what they were doing last year.
- + Respondents' organizations are most apt to increase their use of text analytics to analyze their experience data, with 60% planning to use this technology more.
- + Organizations currently use artificial intelligence least frequently.

## ABOUT

This chart shows the percentage of respondents' organizations that plan to use each type of technology to analyze experience data compared with the previous year.

Compared to what you were doing last year, to what degree is your organization planning to use these types of technologies to analyze your experience data?



# 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 is 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

These steps demonstrate 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

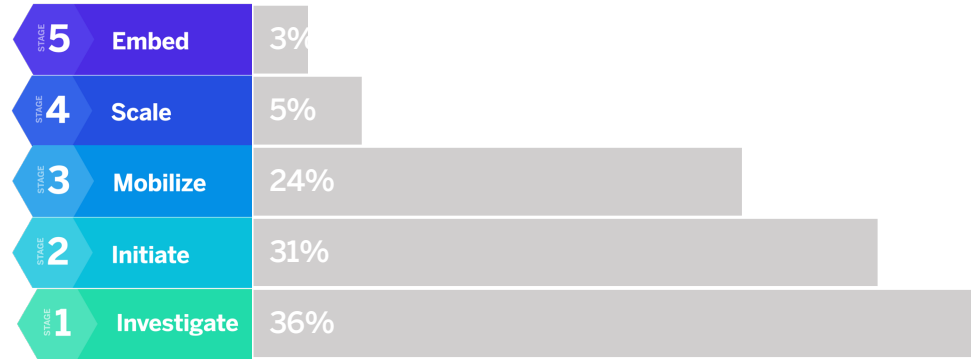
## KEY TAKEAWAYS

- + More than two-thirds of respondents are in the first two stages of CX Maturity.
- + Just 3% of respondents have achieved the top (Embed) stage of CX Maturity.
- + Respondents rated their organizations best at the Lead competency, with 21% at least 'strong' at these activities.
- + Organizations are weakest in the Realize competency; nearly half of respondents rated their organization's capabilities as 'very weak', and another 24% had a 'weak' rating.

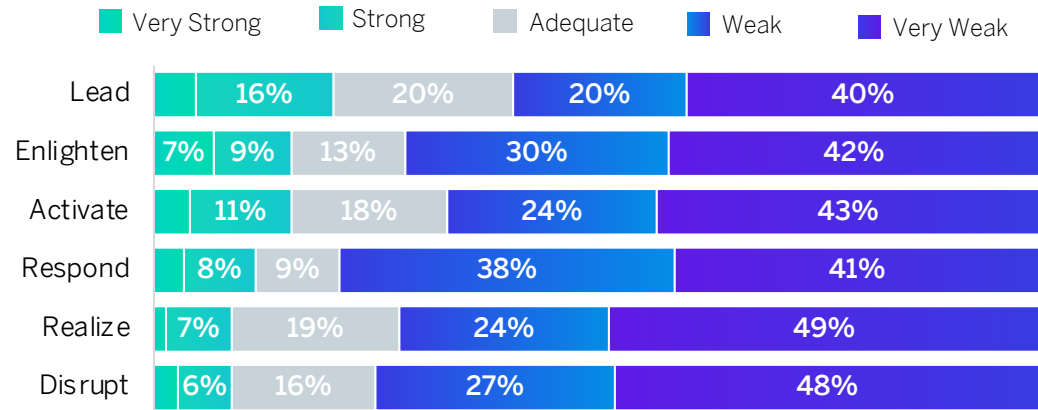
## ABOUT

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

### Stages of CX Maturity



### CX Competency Ratings



# CX Competencies: Leaders Versus Laggards

## KEY TAKEAWAYS

- + CX leaders rated their organization's CX culture and skills and capabilities as 'strong' at more than twice the frequency of CX laggards.
- + There is a twenty-six percentage-point gap between CX laggards' and CX leaders' ratings of their CX technology strength.

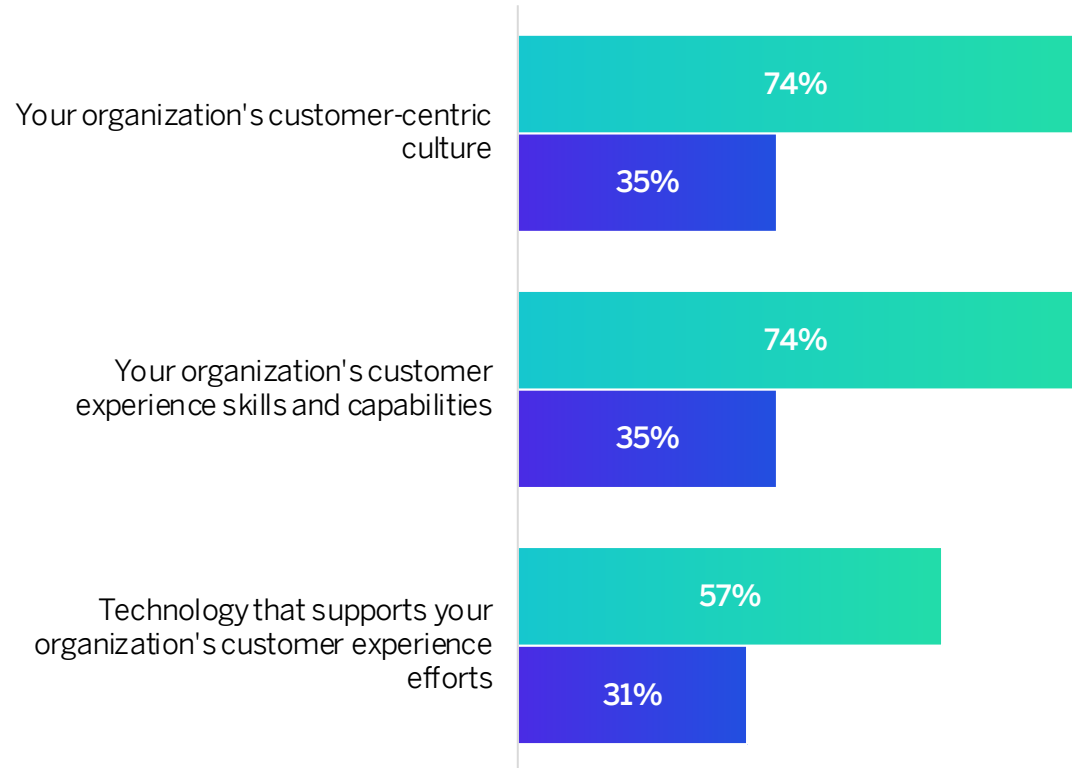
## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 and below are "CX Laggards."

### How would you rate your organization in the following areas?

('Strong' or 'Very Strong')

■ CX Leaders ■ CX Laggards



Base: 220 CX Practitioners from companies with 1,000+ employees  
Source: Qualtrics XM Institute 2023 Q1 CX Practitioner Survey

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# CX Agility: Leaders Versus Laggards

## KEY TAKEAWAYS

- + CX leaders perform all these CX agility actions more effectively than CX laggards.
- + CX leaders are 3 times as likely to address customers' evolving needs with new experiences, 2.5 times as likely to prepare for rapid shifts in the customer environment, and 2.6 times as likely to identify emerging segments of customers.

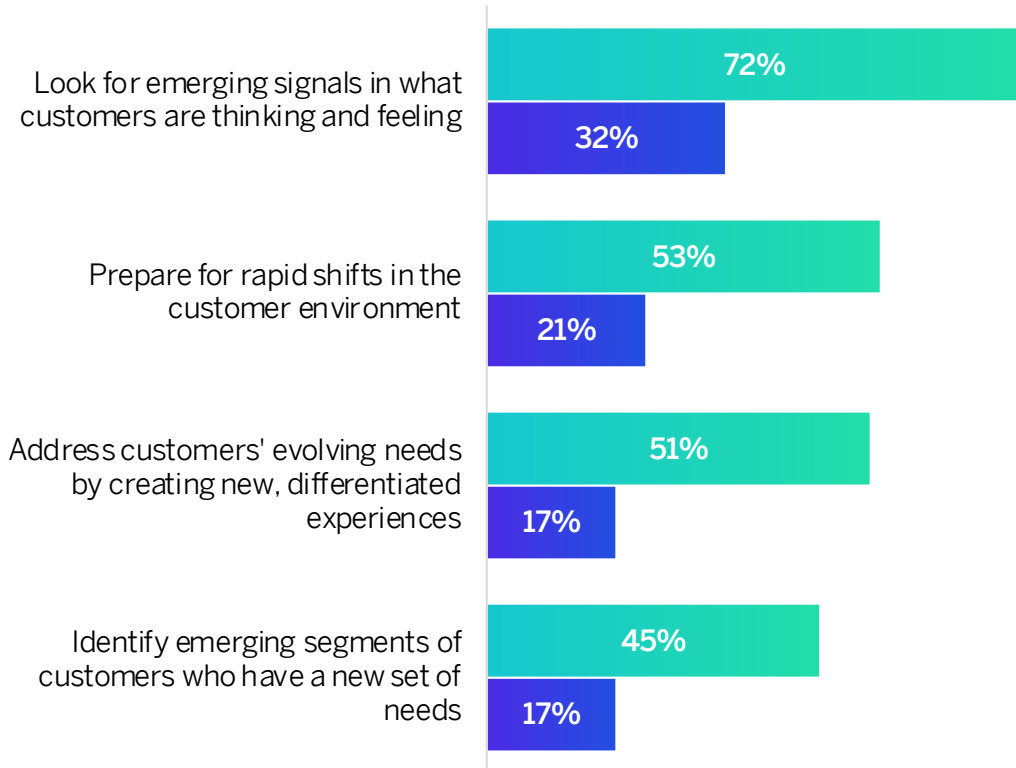
## ABOUT

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### How effectively does your organization do the following?

('Effectively' or 'Very Effectively')

■ CX Leaders ■ CX Laggards





# Company Culture: Leaders Versus Laggards

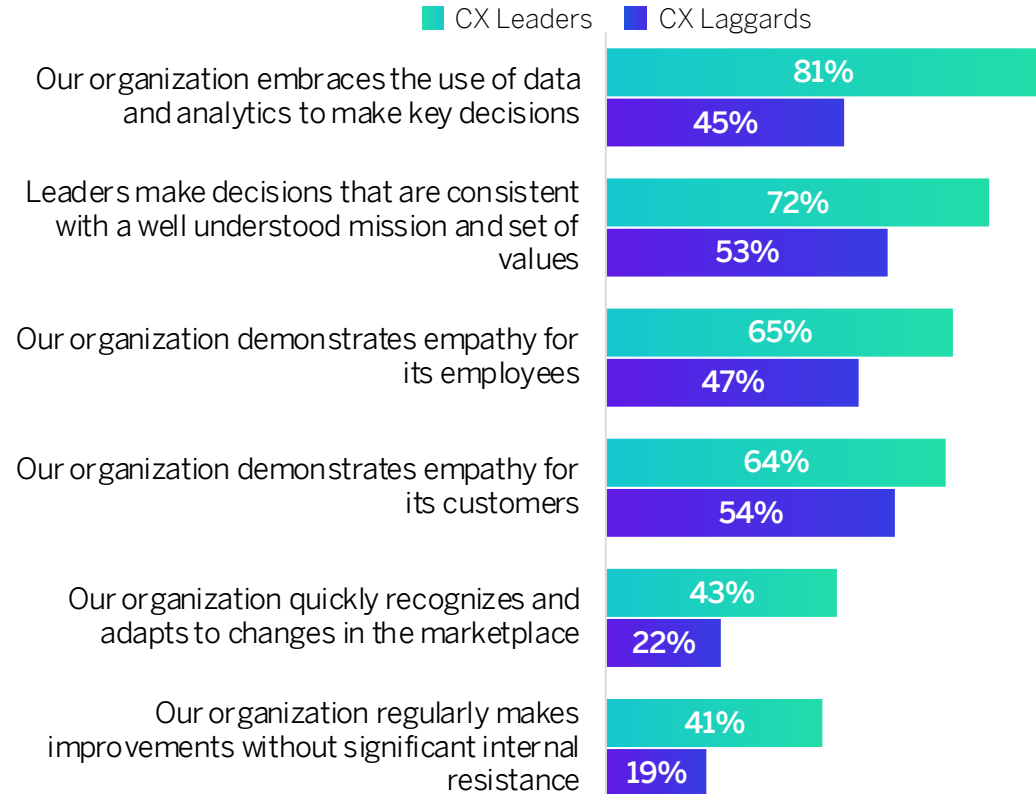
## KEY TAKEAWAYS

- + CX leaders have a higher propensity to demonstrate each of these behaviors compared to CX laggards' organizations.
- + CX leaders 'regularly make improvements without significant internal resistance' at more than twice the rate of CX laggards.
- + CX laggards most frequently said their organization demonstrates empathy for their customers, while respondents at CX leaders most frequently agreed that their organization 'embraces the use of data and analytics to make key decisions'.

## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 and below are "CX Laggards."

## Respondents who agree with the following statements about their organization:



# Business Outcomes: Leaders Versus Laggards

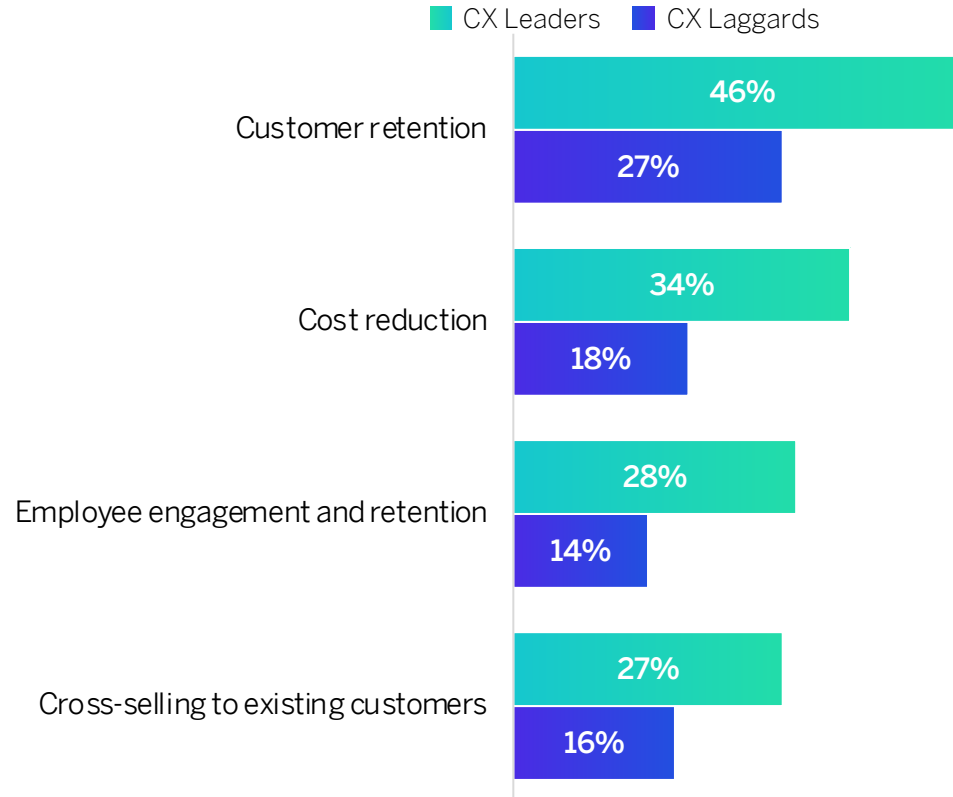
## KEY TAKEAWAYS

- + CX Leaders were more likely to report improvement across these business outcomes as a result of their CX program than those with lower CX capabilities (CX Laggards).
- + Forty-six percent of CX Leaders reported improved customer retention as a result of their CX program, compared to 27% of CX Laggards, a gap of 19 percentage-points.
- + CX Leaders are twice as likely to have CX programs that improved employee engagement and retention.

## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 and below are "CX Laggards."

## Which of the following business outcomes has your CX program significantly improved over the last year?

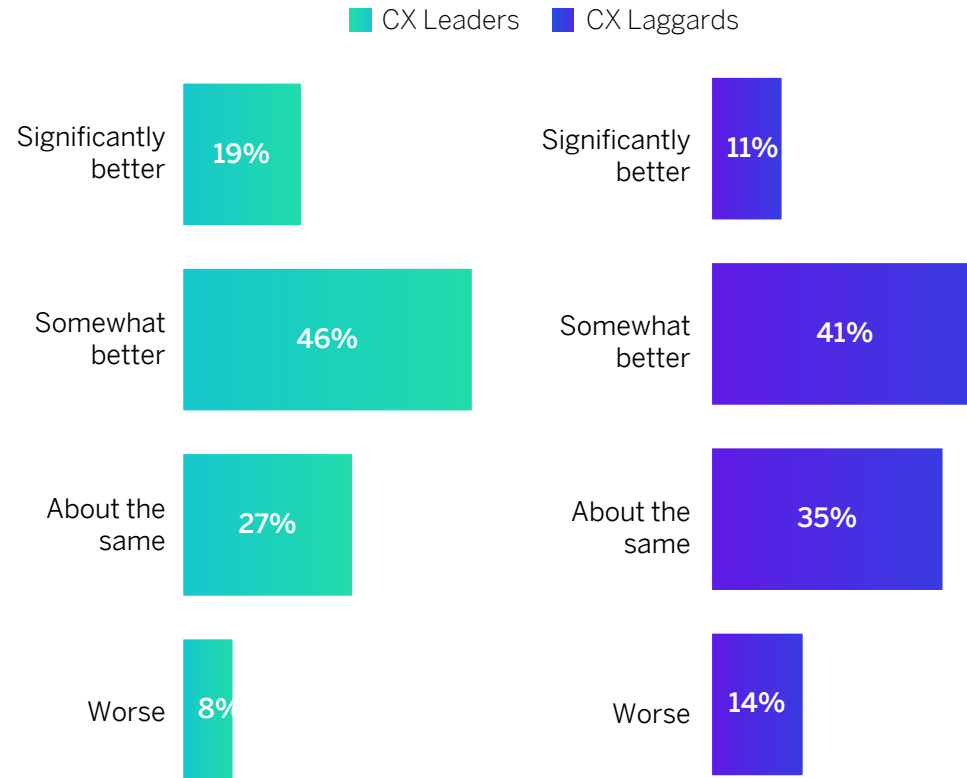


# Financial Benefits: Leaders Versus Laggards

## KEY TAKEAWAYS

+ Sixty-five percent of respondents at organizations with stronger CX capabilities report better financial results compared to their competitors. Just 55% of CX Laggards report the same.

Looking back over the previous year, how did your organization's financial results compare with your competitors?



## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 and below are "CX Laggards."

# Channel Effectiveness: Leaders Versus Laggards

## KEY TAKEAWAYS

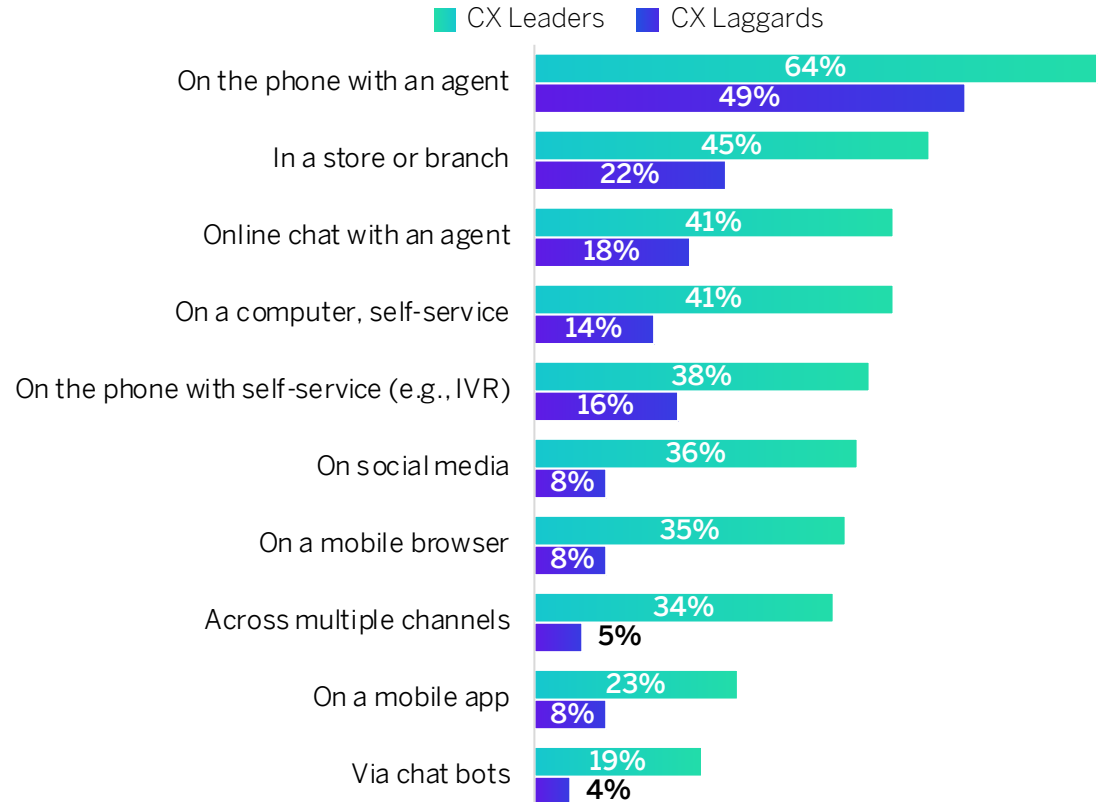
- + CX Leaders rated their organization's customer experience delivered through each of these channels as 'good' more frequently than CX laggards.
- + The largest gap between the delivery of CX Leaders' and CX Laggards' customer experience was on social media and across multiple channels, each with a gap of 28 percentage-points.
- + Both CX Leaders and CX Laggards rated their CX delivered on the phone best and the CX they deliver via chatbots worst.

## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 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

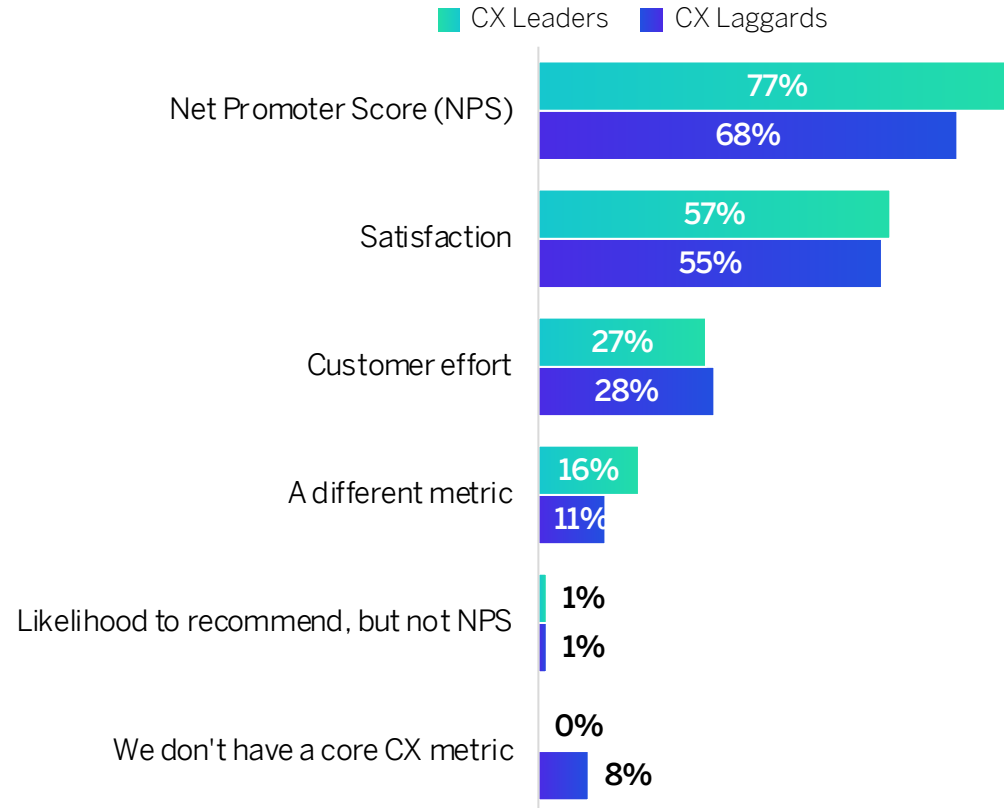
- + All CX Leaders have at least one core CX metric, while 8% of CX Laggards don't have a core CX metric.
- + Over three-quarters of CX leaders use NPS as a core CX metric. CX laggards are 9 percentage-points less likely to use this metric.
- + CX Laggards are slightly more likely than CX Leaders to use customer effort as a core CX metric.

## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 and below are "CX Laggards."

### Which of the following is your core CX metric?

(Pick more than one if they are equally important)



Base: 220 CX Practitioners from companies with 1,000+ employees  
Source: Qualtrics XM Institute 2023 Q1 CX Practitioner Survey

# Usage of Listening Posts: Leaders Versus Laggards

## KEY TAKEAWAYS

- + CX Leaders are more likely to use all of these listening elements in their customer experience program compared to CX laggards.
- + CX Laggards are 30 percentage-points less likely to use journey feedback and 28 percentage-points less likely to use frontline feedback in their customer experience program than CX leaders.

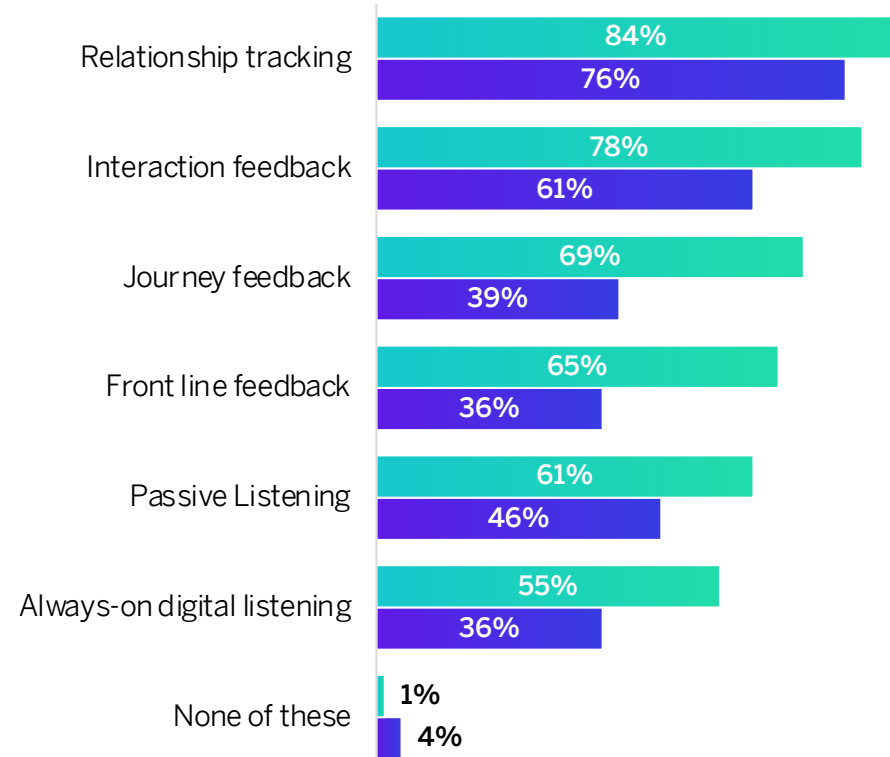
## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 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



# Effectiveness of Listening Posts: Leaders Versus Laggards

## KEY TAKEAWAYS

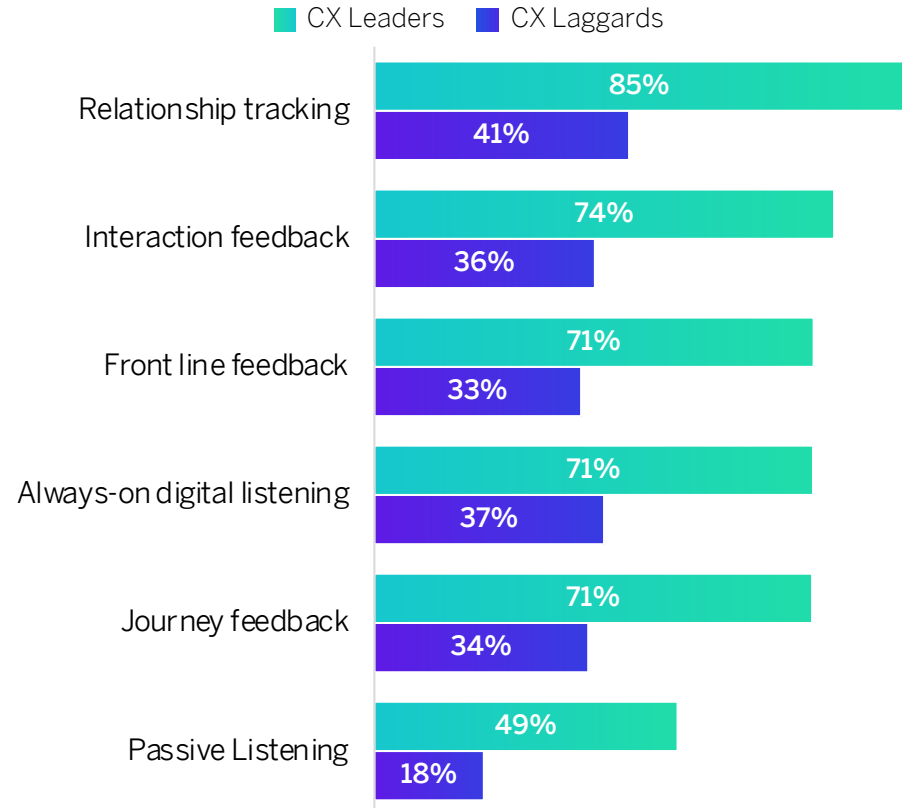
- + CX Leaders reported that they are significantly more effective at using insights from each of these listening posts to make changes. They are at least 31 percentage-points more likely to say they are at least 'somewhat effective' at doing so.
- + The largest gap in CX Leaders versus Laggards' listening post capabilities is in their usage of relationship tracking, with a difference of 44 percentage-points in effectiveness.

## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 and below are "CX Laggards."

### How effectively does your organization make changes based on insights from the following sources?

(‘Somewhat effectively’ or ‘Very effectively’)



Base: 220 CX Practitioners from companies with 1,000+ employees  
Source: Qualtrics XM Institute 2023 Q1 CX Practitioner Survey

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# Obstacles to CX Success: Leaders Versus Laggards

## KEY TAKEAWAYS

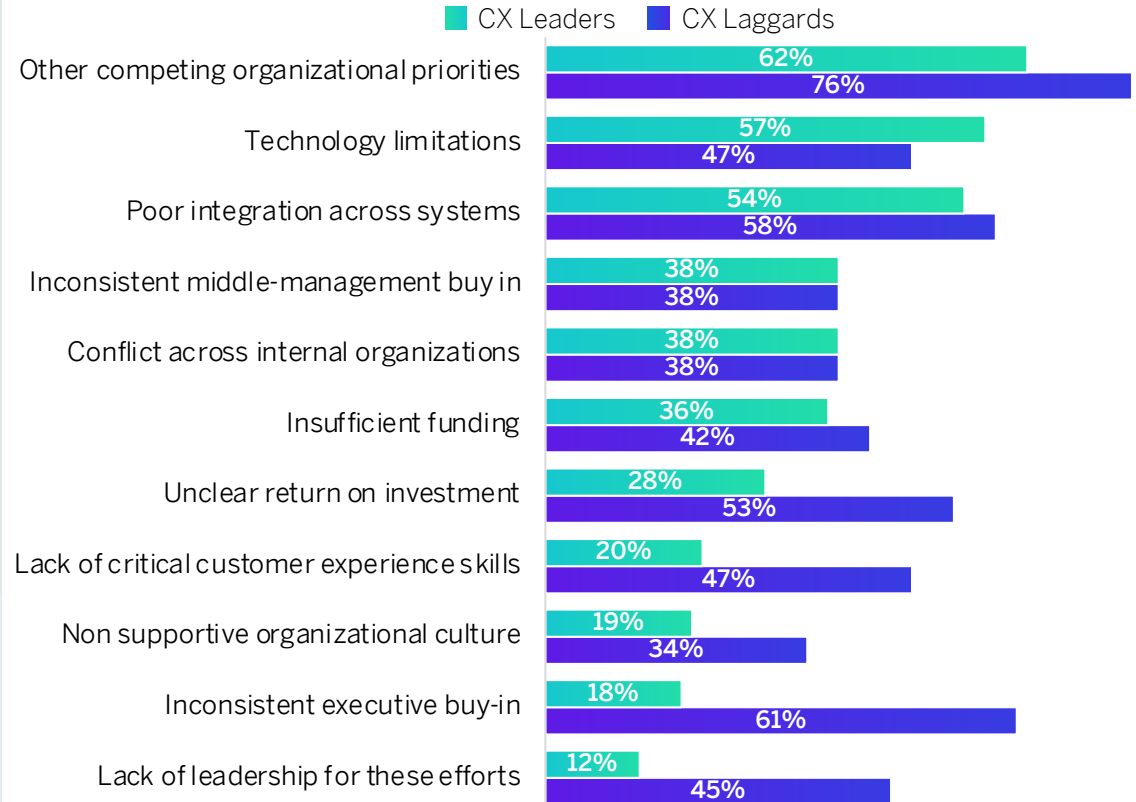
- + 'Other competing organizational priorities' was most frequently referenced as the top obstacle to CX management by both CX Leaders and Laggards.
- + CX Laggards were more likely to cite each of these items as an obstacle to their CX management efforts, except for 'technology limitations', which CX Leaders cited 10 percentage-points more frequently.
- + CX Laggards cited 'inconsistent executive buy-in' 43 percentage-points more frequently than CX Leaders and cited 'lack of leadership for these efforts' 32 percentage-points more frequently.

## ABOUT

This chart shows the percentage of respondents that rated their organization as 'strong' or 'very strong' in each area. Responses are broken into two groups based on their *CX Competency & Maturity Assessment* scores. Companies with scores above 16.3 (median score) are "CX Leaders" and companies with scores of 16.3 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)





## DATA CALCULATION

In **Figures 11 - 16**, we break responses into two groups based on their CX Competency & Maturity Assessment scores. Companies with scores above 16.3 (the median score) are “CX Leaders” and companies with scores of 16.3 and below are “CX Laggards.”

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