



**DON'T GET STUCK
IN THE EXPERIENCE GAP**



Abstract

Experience Management (XM) is the new marketing. Today's competitive advantage is about delivering great experiences instead of just hyping them. Organizations that can't control the experiences they deliver are destined to be controlled by them.

A study of 450 employee and customer experience decision makers reveals that most organizations don't possess the five platform capabilities required to envision, deliver and measure great stakeholder experiences:

- 1** SINGLE SYSTEM
The platform can correlate and combine experience and operational data
- 2** CONVERSATIONAL
The platform can engage with stakeholders naturally at every touchpoint
- 3** DEMOCRATIZED
The platform can provide self-service access to all without need of experts
- 4** FLEXIBLE
The platform is modular and can scale as your company grows
- 5** PREDICTIVE
The platform uses advanced analytics to anticipate behaviors



Manage your stakeholder experiences before **THEY MANAGE YOU**

Study reveals that most organizations see better experience management as the path to sustain growth.

XM is the new marketing

The days of “Mad Men” style marketing really aren't that far behind us. Even just 10 years ago, marketing's job was largely to show up with a catchy jingle, a slick product shot and a request for obscene amounts of advertising money.

Today, the best marketers are quant jocks and marketing looks like data more than design. Questions drove this shift - simple questions about outcomes that marketers couldn't answer. Marketers could track how much they spent but couldn't answer simple questions about results. How well are we upselling? Did our product exceed expectations? Why do customers leave? Do customers influence others to join? Traditional marketing can't answer those questions, but data can.

With data, marketing now projects beyond touching just products. Its influence extends to controlling the experiences around products. We call this shift Experience Management (XM); and it makes traditional marketing look as old fashioned as Don Draper smoking in the office.

The evolution from managing campaigns to managing experiences is welcome because messaging and products are easy to imitate, but experiences aren't -- and that's how a new form of competitive advantage was born.

Experience Management is a tectonic shift in the business landscape - an emerging category that will be as essential as CRM and HRM solutions. Experience management is an emergent technology solution that addresses several critical business spaces exactly when technology allows it and experience-oriented consumers demand it.



Mind the experience gap

Managing experiences can't happen in a spreadsheet. It takes executive leadership, a willingness to let data provoke innovation, and especially the right technology. But far too many organizations are stuck in the black-and-white world of using dusty marketing relics designed to fashion great ad campaigns, not great experiences. They're unable to collect and integrate the data that paints the full picture of the experiences they provide. They're stuck in the experience gap.

Who's stuck in the experience gap?

If you can't manage your stakeholder experiences - you are. And if you can't manage your stakeholder experiences, your stakeholder experiences will manage you.

Qualtrics surveyed 450 customer and employee-experience decision-makers to understand how many organizations have the ability to effectively manage experiences today, and how many don't but want the ability. We learned that organizations see huge upside if they have the tools to manage experiences, and huge downside if they don't.

The five pillars of experience management

If you suspect your organization is stuck in the experience gap, you're not alone. Too many organizations want, but don't possess the five platform capabilities that empower organizations to control their brand, product, customer and employee experiences.



Five Pillars

PILLAR 1

XM PLATFORMS ARE SINGLE SYSTEM

XM platforms replace the need for legacy stand-alone brand, product, employee and product experience measurement systems. XM platforms connect and correlate operational data with experience data on a single system of interpretation to understand, prioritize, and take action on key experience drivers.

Single System capabilities can answer questions like:

- How is our customer experience affecting market share?
- What is the relationship between our NPS and repeat purchases in San Diego?
- How much better are engaged employees at delivering great customer experiences?

Having a single system means being able to combine and analyze “Operational Data” like conversion rates and market share with “Experience Data” like survey feedback and NPS to understand relationships between stakeholder feedback and business outcomes. However, many organizations are unable to see a unified view of their operational and experience feedback data.

90% of companies say being able to combine X and O data will help them deliver a better customer experience, but only 19% can easily do it.



When it comes to combining and analyzing operational and experience data:

It would help us grow	90%
It would help us close deals and win market share	75%
It would help us deliver a better brand experience	83%
It would help us deliver a better customer experience	90%
It would help us deliver a better product experience	83%
It would help us deliver a better employee experience	79%
We can do this easily	19%

Looking deeper, most organizations are also unable to combine and analyze the various flavors of experience data such as market research, employee engagement and customer experience feedback.

Customer and employee experience decision makers on combining market research, employee engagement and customer experience data:

It would help us win more market share and deals	90%
It would be valuable to us	95%
It would help us serve customers better	84%
Not being able to do this makes us miss growth opportunities	72%
Not being able to do this makes us sometimes misinterpret customer preferences	61%
It would help us better recruit and retain great employees	87%
We can do this easily	17%

PILLAR 2 **XM PLATFORMS ARE CONVERSATIONAL**

Organizations with XM capabilities and platforms engage with stakeholders in a natural way at every meaningful touchpoint, no matter how or where they occur. XM platforms capture human factor data—people’s emotions, beliefs, sentiments, stated preferences, etc.—in an unobtrusive way that includes direct, indirect, unsolicited, and inferred feedback mechanisms. XM platforms create a dialogue that becomes an ongoing part stakeholder interactions.

While many organizations like to claim to have frequent and meaningful dialogues with stakeholders, the reality is more like wishful thinking.



93% of companies say being able to capture feedback at every meaningful touchpoint would help them serve customers better, but only 24% can do it.

Customer and employee experience decision makers on capturing customer feedback at every meaningful brand touchpoint:

It would help us serve customers better	93%
We lose at least 2% of revenue annually but not being able to	96%
It would help us deliver a better brand experience	79%
It would help us deliver a better customer experience	83%
It would help us deliver a better product experience	80%
It would help us deliver a better employee experience	75%
We can do this easily	24%

Employee experience decision makers on collecting feedback from employees about their work experience:

We need better technology to do it well	51%
It would be useful to us	98%
We can do this easily	34%



PILLAR 3

XM PLATFORMS ARE DEMOCRATIZED

Organizations with XM capabilities and platforms must provide self-serve access to everyone in an organization, never limiting use to trained experts. XM platforms are intuitive, easy to use, and provide point-and-click configurability, enabling everyone in an organization—from the frontline to executives—to create, analyze, distribute, and take action on experience data.

Most organizations say that democratizing data so that every employee can become an experience expert would make a dramatic positive difference to their business.

91% of companies say they lose at least 2% of annual revenue because their employees can't create, analyze, distribute and take action on data without help from an expert.

Customer and employee experience decision makers on all employees being able to create, analyze, distribute and take action on stakeholder data without help from an expert:

It would help us serve customers better	88%
We lose at least 2% of revenue annually because we can't	91%
It would help us deliver a better brand experience	74%
It would help us deliver a better customer experience	79%
It would help us deliver a better product experience	77%
It would help us deliver a better employee experience	79%
We can do this easily	16%



PILLAR 4

XM PLATFORMS ARE FLEXIBLE

If your organization was forced to go back to using the same procedures and technology it used when it was half its size, it would be jolted into a world of inefficiency and confusion. The same applies to your stakeholder data platform.

XM platforms require modular architecture that allows flexible, programmable integration with existing workflows, processes, and culture. XM platforms are user configurable and scalable, allowing organizations to start small and then scale once programs are tested, optimized, and ready for expansion.

77% of companies say they have lost deals or market share because their feedback platform doesn't scale with their growth.

Customer and employee experience decision makers on collecting and analyzing stakeholder data that keeps pace with growth:

It's important to us	91%
We have lost market share or deals because they can't do it well	77%
It would help us deliver a better brand experience	75%
It would help us deliver a better customer experience	76%
It would help us deliver a better product experience	77%
It would help us deliver a better employee experience	70%
We can do this easily	29%



PILLAR 5

XM PLATFORMS ARE PREDICTIVE

Organizations aren't really in control of the future if they can't reasonably predict product adoption, consumer trends and stakeholder needs. Accurate prediction today doesn't result from brainstorming sessions with consultants, it comes from data dashboards, advanced statistics and increasingly artificial intelligence to show you where the ball is now and where it's headed next. Many organizations say they need better technology (48%) to consistently predict customer behavior and employee needs (39%).

87% of companies say having predictive analytics would help them deliver a better customer experience but only 33% have it.

Customer and employee experience decision makers on using predictive analytics like advanced statistics and artificial intelligence to predict behavior.

It would help us deliver a better brand experience	84%
It would help us deliver a better customer experience	87%
It would help us deliver a better product experience	83%
It would help us deliver a better employee experience	84%
We can do this easily	33%

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