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The Customer Experience Transformation Guide

The journey toward Intelligent Orchestration at scale

Executive Summary

Customer Service (CX) has been implemented as an ad hoc solution for far too long—a technology here, a loyalty program there—with different, jarring experiences felt across programs, digital, and in-store experiences. At first customers didn't mind. These solutions were interesting and innovative. But as consumers demand more, retailers, consumer goods and travel and hospitality brands are struggling to keep up.

In fact, all industries are struggling to:

- **Measure CX**
- **Fill skills gaps**
- **Focus on customer strategy**
- **Get enterprise buy-in**

But, there is a clear path forward and a commitment from brands to invest. In fact, a Cognizant commissioned Forrester Consulting survey found 44% of retail, consumer goods and travel and hospitality leaders plan to invest in their CX practice by 5% or more over the next year. In this guide, we summarize key findings from the research, a CX maturity model, and real steps brands can take to move forward.

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152 decision-makers with responsibility over or insights into CX and CRM strategies
from retail, consumer goods, and travel and hospitality organizations only

The State of CX: An Industry Maturity Comparison

Forrester Consulting, on behalf of Cognizant, studied 769 decision-makers with responsibility or insights into CX and CRM strategies at their organizations. They found retail, consumer goods, & travel and hospitality firms are the second most likely industry to be ranked as laggards.

Maturity	Overall	Health-care and life sciences	Consumer goods and travel and hospitality	Energy/ utilities, manufactur-ing, and transporta-tion	Education, media and entertainment, technology, and telecommunica-tions	Financial services, banking and/or insurance
Leader	14%	16%	14%	13%	16%	11%
Interme-diate	52%	49%	48%	46%	50%	66%
Laggard	34%	34%	38%	42%	33%	23%

*Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, November 2023

Decision-Makers Recognize CX Shortcomings

Brands are acting. 44% plan to invest in their CX practice by 5% or more over the next year. This investment will be used not only to improve CX practices, but also to address existing shortcomings firms face. But what's standing in their way?

Of retail, consumer goods, and travel and hospitality decision-makers responding to the study:

81%

Agree that "our organization needs better alignment on CX priorities"

47%

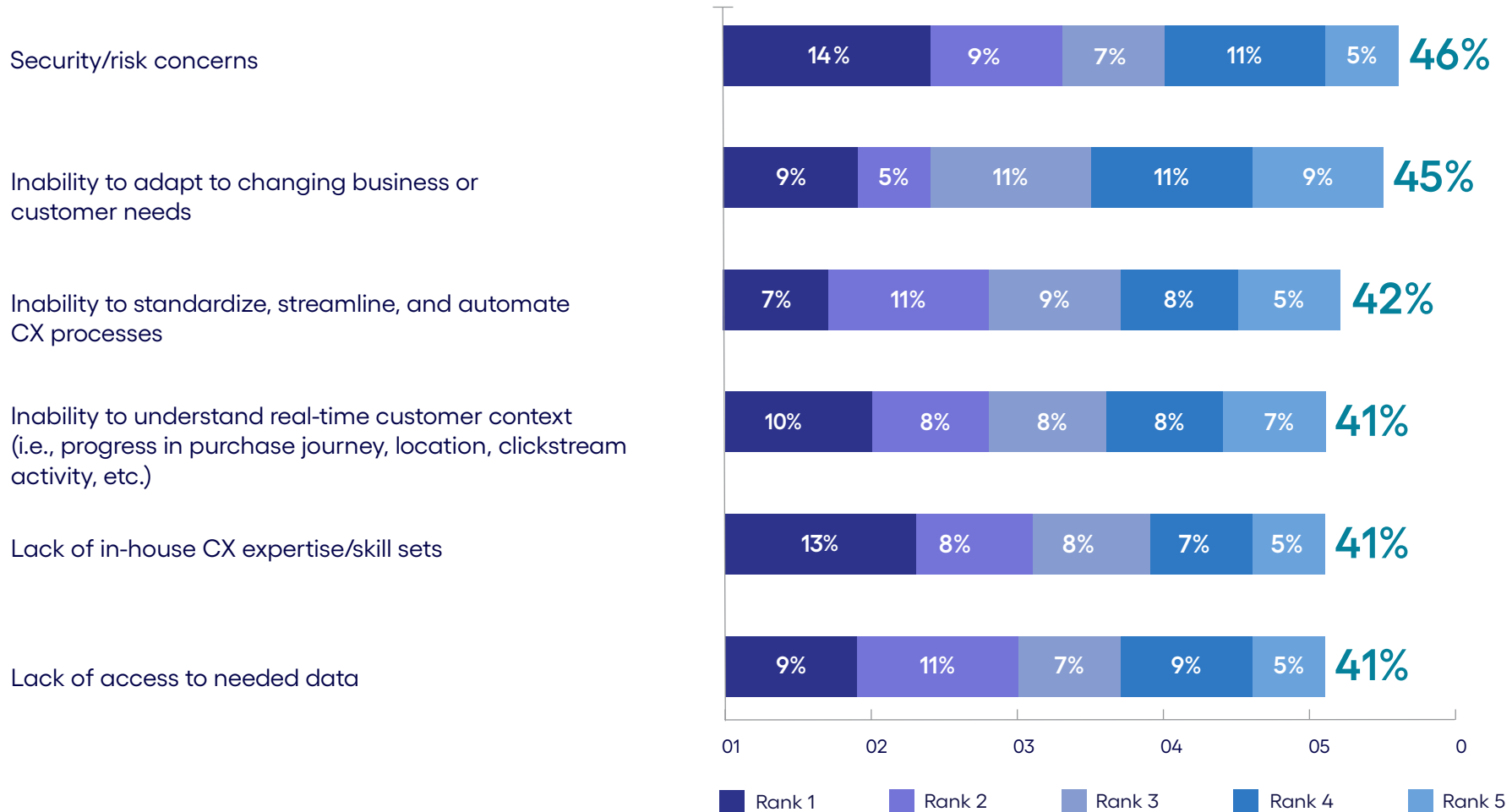Do not feel that "we intuitively anticipate our customers' needs"

23%

Do not feel that "our customers trust us"

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Top CX Execution Challenges

When retail, consumer goods, and travel and hospitality decision-makers were asked to rank the top CX execution challenges their firm faced, most agree- security and lack of standardization and adaptability pose serious threats.

Challenge	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Total
Security/risk concerns	14%	9%	7%	11%	5%	46%
Inability to adapt to changing business or customer needs	9%	5%	11%	11%	9%	45%
Inability to standardize, streamline, and automate CX processes	7%	11%	9%	8%	5%	42%
Inability to understand real-time customer context (i.e., progress in purchase journey, location, clickstream activity, etc.)	10%	8%	8%	8%	7%	41%
Lack of in-house CX expertise/skill sets	13%	8%	8%	7%	5%	41%
Lack of access to needed data	9%	11%	7%	9%	5%	41%

01   02   03   04   05   0

■ Rank 1   ■ Rank 2   ■ Rank 3   ■ Rank 4   ■ Rank 5

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Top CX Strategy Challenges

When retail, consumer goods, travel and hospitality decision-makers were asked to rank the top CX strategy challenges they faced, a majority agreed. Data, organizational silos, and leadership alignment challenges are holding them back.
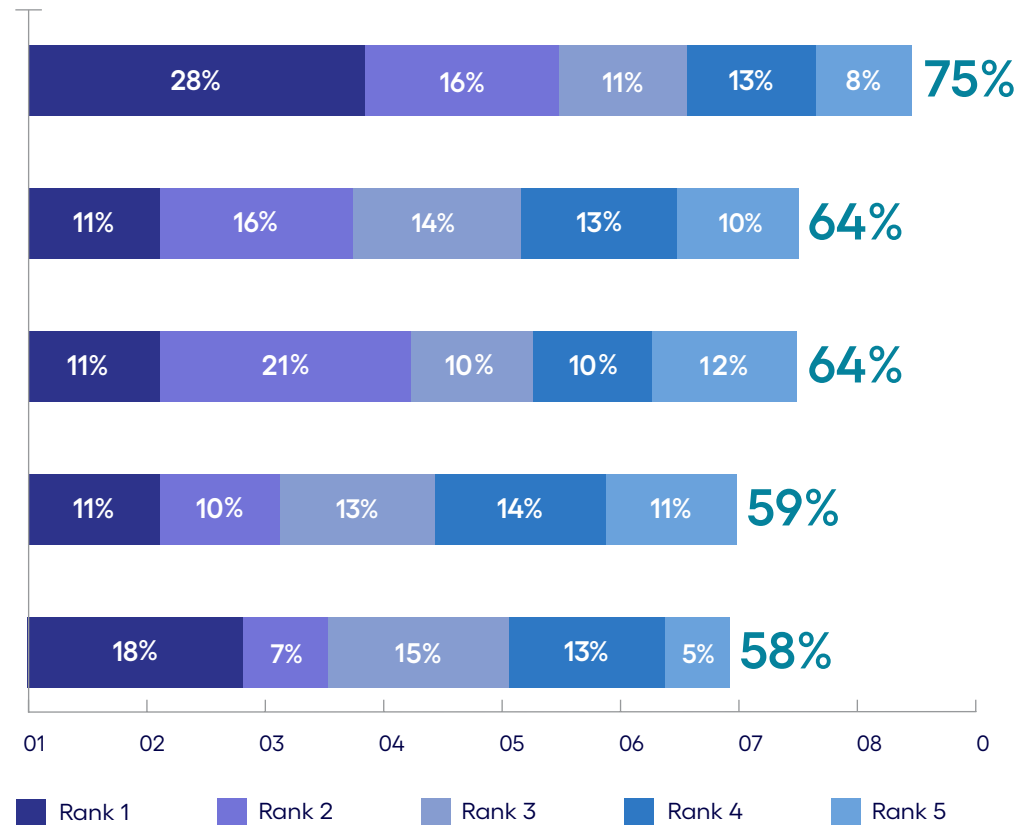
These call for intelligent orchestration

Procuring the necessary data to advance our CX agenda/strategy

| 28% | 16% | 11% | 13% | 8% | **75%** |

Aligning the organization around CX priorities

| 11% | 16% | 14% | 13% | 10% | **64%** |

Breaking down technology, process, and data silos in the organization

| 11% | 21% | 10% | 10% | 12% | **64%** |

Poor leadership alignment around organizational priorities and processes

| 11% | 10% | 13% | 14% | 11% | **59%** |

Gaining leadership attention, support, and buy-in for necessary investments

| 18% | 7% | 15% | 13% | 5% | **58%** |

01 02 03 04 05 06 07 08 0

■ Rank 1   ■ Rank 2   ■ Rank 3   ■ Rank 4   ■ Rank 5

*Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, November 2023

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The Hot Trend this Year? Intelligent Orchestration.

	OUT	IN
Personalization	One size fits some	Curated 1:1
Relationship approach	Transaction based	Value based
Interaction points	Reactive	Proactive
Services offered	Tactical	Predictive
Data organization	Siloed	Networked
Decision making	Human only	Blended

> **Over half of decision-makers feel their firm can't intuitively anticipate their customers' needs.***

* Enable Intelligent Orchestration to Drive Differentiation and Growth, Forrester Consulting Thought Leadership Commissioned by Cognizant

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From Laggard to Leader: The CX Maturity Curve

Forrester Consulting identified three stages on the CX maturity curve moving from scattershot and misaligned to Intelligent Orchestration.
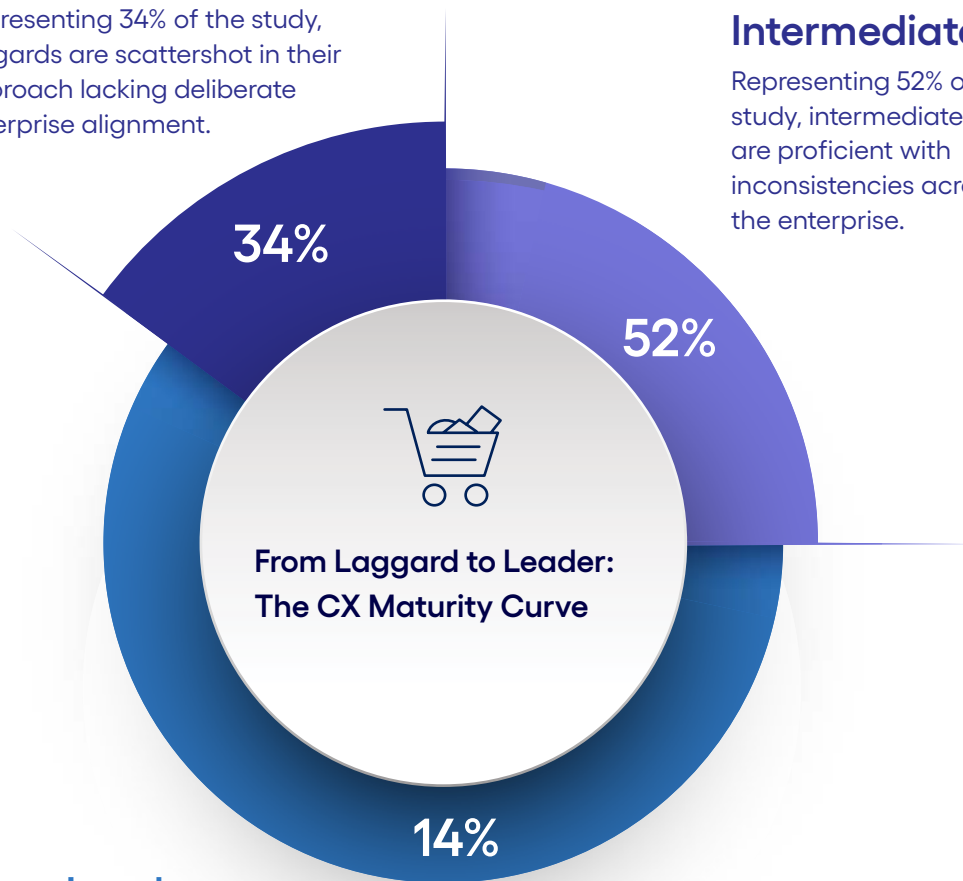
Laggards

Representing 34% of the study, laggards are scattershot in their approach lacking deliberate enterprise alignment.

Intermediates

Representing 52% of the study, intermediates are proficient with inconsistencies across the enterprise.

34%

52%

From Laggard to Leader: The CX Maturity Curve

14%

Leaders

Representing only 14%, leaders are intentional in their coordination across the enterprise.

Moving from one stage to the next will require leaders to honestly assess where they sit today compared to the competition, what good looks like, and how to get from one tier to the next.

Want a deeper dive into how to move from one tier to the next and what leaders do differently? Get the full Forrester Consulting study commissioned by Cognizant.

Link to study

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The Four Components of CX Maturity

At each stage of the maturity curve four key components of consideration are needed to move from one stage to the next. The leaders consistently follow similar paths, as do the laggards.

Strategy

This component is defined by a clear strategy to achieve CX objectives across the enterprise. Comprehensive CX metrics that connect customer and business outcomes are used.

Data

Mature organizations have a complete view of their customer data, which is always available to customer-facing teams. Real-time insights are readily available to drive personalized experiences.

Technology

Cloud-native, scalable, and modern are the hallmarks that allow integration and availability. Tech stack is critical to market differentiation.

Operations

Processes are standardized, connected, and cross-functional across the enterprise. They are effectively measured, governed, and scalable.

Brands should imagine these components like four legs of a chair. Building only one or two legs for the seat creates a poor (and unbalanced) sitting experience for customers!

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Intelligent Orchestration: The Best Customer Experiences Drive Growth

Consistently delivering strong CX in retail, consumer goods and travel and hospitality sectors is difficult but necessary. According to Zendesk, 52 percent of customers will switch to a competitor if they have a single negative impression*.

With the continued challenges of inflation, supply chains, and worker shortages, creating strong intelligent orchestration may be the only way out of negative customer sentiment and toward stronger growth.

The experience-led growth proposition
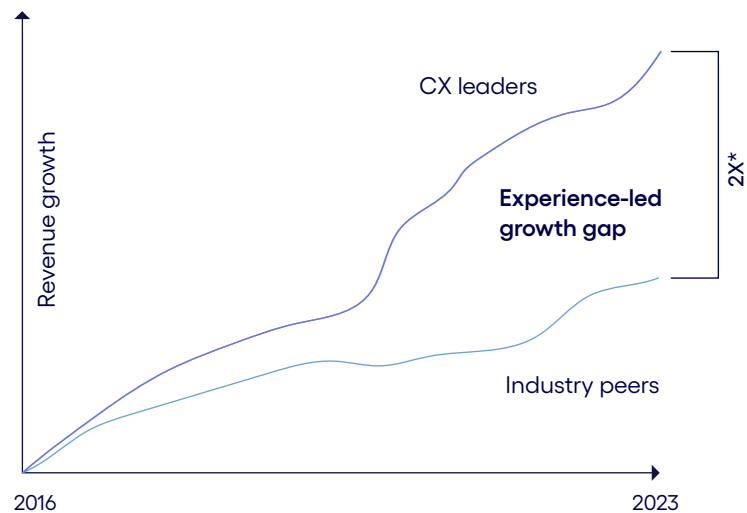
How Tata Starbucks Transformed Their Product Ordering Experience

Tata Starbucks enhanced its customer service delivery and improved its ability to manage large events, ensuring smooth operations during busy periods. In addition, they simplified backend operations and minimized total cost of ownership, leading to improved profitability for the business.

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From Ideas to Action: Partnering with Cognizant

Cognizant brings the right strategy, design, data, technology, operations, and partners to drive profitable growth both now and into the future.

Marketing Performance at Scale

We unleash the power of the latest cutting-edge marketing solutions so that the right offers find the right customers.

Sales Transformation Built for Speed

We make sure teams have the insights needed to build lasting relationships with key customers.

Omnipresent Commerce

Seamless integrations sync across all digital platforms, providing a consistent and compelling shopping experience.

Differentiated Service

We transform contact centers into experience centers, making self-serve easier and resolving issues faster - increasing satisfaction and retention.

Our approach is largely platform agnostic, with a focus on how to select, leverage, and integrate the best available functionality for our clients. And, our deep partnerships help expand capabilities, improve speed to adoption and drive value for our clients.

For more information on our CX offerings, visit:
https://www.cognizant.com/us/en/services/experience-services?cid=trkmoment072924001

Learn what the best CX organizations in the world do differently. Download the Forrester Consulting thought leadership study commissioned by Cognizant. **Enable Intelligent Orchestration to Drive Differentiation and Growth.**

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Cognizant (Nasdaq-100: CTSH) engineers modern businesses. We help our clients modernize technology, reimagine processes and transform experiences so they can stay ahead in our fast-changing world. Together, we're improving everyday life. See how at **www.cognizant.com** or **@Cognizant**.

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