

The Incredible Journey

The Transformative Power Of A Holistic Customer Journey Strategy

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Executive Summary

Customer journeys provide a critical understanding of customers, their behavior, and how they engage with brands. Tracking, documenting, and analyzing the customer experience through their perspective helps firms understand customer interactions throughout the customer journey and how to best serve customers. This applies not only to areas like customer service, but also to the pre-purchase stages, enabling companies to present relevant, contextual content and offers to customers as they need it. Firms embracing customer journey strategies have not only seen business benefits; they have also seen transformation in the very way they work.

In March 2016, IBM commissioned Forrester Consulting to conduct an online survey of 200 customer journey professionals in the US, the UK, France, and Germany to discover their customer journey practices, technology investments, challenges, and strategies. In addition, Forrester interviewed five senior decision-makers in marketing and/or customer experience roles who provided examples and anecdotal insights about their firm's customer journey experiences.

Firms now believe customer journey work is critical to engage customers and improve business metrics, and they are eager to discover what their customers want and need and how best to serve them.

Forrester found that firms doing customer journey work develop a better understanding of their customers, have employees who feel more empowered and accountable to serve customers, and see improvements in business results.

KEY FINDINGS

Forrester's study yielded three key findings:

- › **Customer journey work requires a strong culture of cross-functional collaboration and analytical thinking.** Sharing responsibility for customer journeys across functions can help companies modernize their customer journey efforts and transform their organizations. This means adopting a higher-level journey strategy that will focus on understanding customers. An analytical mindset will help companies identify and optimize opportunities to

retain customers, drive incremental purchases, and encourage positive word of mouth.

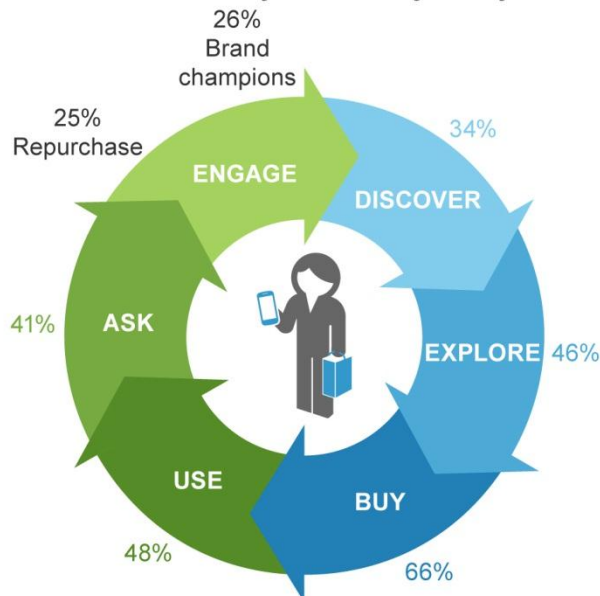
- › **Marketing uses real-time insights to drive accountability across functions.** Companies see the potential impact of understanding and truly engaging customers, and they understand that journey work requires cross-functional participation and accountability from marketing, customer experience, customer service, sales, and business technology professionals. But marketing clearly leads the charge with firms in this study — almost 60% of respondents said that marketing leads journey mapping and analysis in their organizations.
- › **Data and technology are critical to the customer journey toolkit.** Customer data and marketing technology are now essential to every marketing function, from strategy to creative development to execution. Marketing technology's story, however, isn't focused on efficiency, but on enabling firms to build sustainable customer relationships that benefit both parties.

The Journey Starts: Engaging Customers And Improving The Bottom Line

Customer journeys tell us what customers are doing, thinking, and feeling; the touchpoints they use; and the people they interact with along the way. They are a lens into how customers engage with brands in pursuit of a goal. Firms now believe customer journey work is critical to engage customers and improve business metrics. They are eager to discover what their customers want and need and how best to serve them. IBM commissioned Forrester Consulting to see what firms are doing in this space, why they are doing the work, and what impact the work is having. The work is already well underway — 66% of the customer journey professionals we surveyed are actively mapping the buy phase of the customer life cycle, and many are tackling other phases as well (Figure 1).

FIGURE 1
Firms Map Pre-Purchase Journeys More

“In what areas of the customer journey does your organization create personas, design journeys, and collect and analyze data on journeys?”



Base: 200 professionals responsible for customer journey creation and analysis

Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, April 2016

Enthusiasm is high, as executives leading customer journey efforts see how journey creation and analysis lead to a deeper understanding of a customer’s journey and aid innovative responses to serve customers across their life cycles with the brand.

“We use journey mapping to capture [our customer teams’] attention. They have a ton of internal/external data, so harnessing that data and putting it in a format that is easy to comprehend allows them to have end-to-end visibility. I think a journey map is a perfect tool, and we are using it to rally us toward a common cause.”

— Head of customer experience transformation, US communications provider

Respondents to the survey also reported the following elements in their work on customer journeys:

- › **Marketing is tasked with bringing together the collective customer journey power in organizations.** Given the potential impact on companies of understanding and truly engaging customers, it is no surprise that survey respondents reported cross-functional participation from marketing, customer experience, customer service, technology, and sales. But marketing clearly leads the charge with firms in the survey — almost 60% of respondents said that marketing leads journey mapping and analysis in their organization.
- › **Firms aspire to leverage customer journey information to optimize tactical decision-making and improve engagement metrics.** When we asked survey respondents why they were adopting customer journey work, 64% cited improvements in operational decision-making for things like brand positioning, online customer journeys, offers, and initiatives. They also cited that they want to analyze where in the journey they need to improve interactions with customers and better understand customer influences. The transformative work of customer journeys is making customer touchpoints more transparent and employees more empowered and accountable.

“What surprised me most is that people are bringing forward issues that have probably been there for a long time. . . . Sales and contact center folks now generate ideas to help resolve common issues. The [customer journey] system is making them accountable.”

— VP, customer experience and strategy, US media provider

› **Companies focus on improving the business through customer journey mapping.** Over half of the respondents cited increased revenue, better customer retention rates, and improved customer loyalty as business benefits from current investments in customer journeys (see Figure 2). By understanding and engaging customers in their journey and optimizing or even improving content and offers, some companies are betting on a turnaround. One interviewed executive ruefully admitted that his company had a poor brand reputation that was driving the companywide push to use customer journeys. The company hopes to transform not only how it delivers customer service but also how its employees engage with each other, with the company,

and, ultimately, with customers. And positive change is happening — only six months into the project, employee satisfaction metrics have improved dramatically, and customer service scores are starting to see an uptick.

› **Data and technology are critical to the customer journey toolkit.** Once relegated to direct mail teams and data analysts, customer data and marketing technologies are now essential to every marketing function, from strategy to creative development to execution. The marketing technology story, however, isn't focused on efficiency but on enabling firms to build sustainable customer relationships that benefit both parties. Yet many firms still treat technology as a discrete tool to procure rather than as a core competency to exploit.¹ Only 20% of the customer journey professionals in our survey reported having integrated journey mapping and analytics tools and technologies optimized for cross-channel execution. Forty-seven percent reported using manual processes with spreadsheets, documents, and visual flowcharts.

FIGURE 2
Business Benefits From Journey Investments

“What are the business benefits from current investments in mapping and analyzing customer journeys?”
(Please select all that apply)



Base: 200 professionals responsible for customer journey creation and analysis

Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, April 2016

Bumps Along The Way: Combining Skills, Technology, And Integration

Despite progress in journey initiatives, there's still a long way to go. Only 5% of respondents thought they had a complete view of their customers' journeys. Many are building on journey work from operations and “. . . lots and lots of stickies . . .,” according to a leader of customer journey efforts at a US software company. Responses from this study are congruent with Forrester's own research. Journey maps often fail to deliver on their promise because they aren't easy to create and update, don't facilitate collaboration, and aren't easy to customize on the fly.² Using journey work to engage and sell to customers in real time has its challenges, including the following:

- Companies lack customer journey skillsets and cross-functional collaboration.** Employees across the enterprise encounter journey efforts that may be siloed by department and by channel. The head of customer strategy at a major retailer reported that the retailer makes an upsell offer well after the initial sale, using data from its CRM system. Teams doing customer journey work tend to only look at “their slice” rather than coordinating across departments and databases. This is borne out by this study's survey work — more than a third of respondents

reported difficulty in accessing data and insights across the organization and that employees have skill gaps in creating or using customer journeys (see Figure 3).

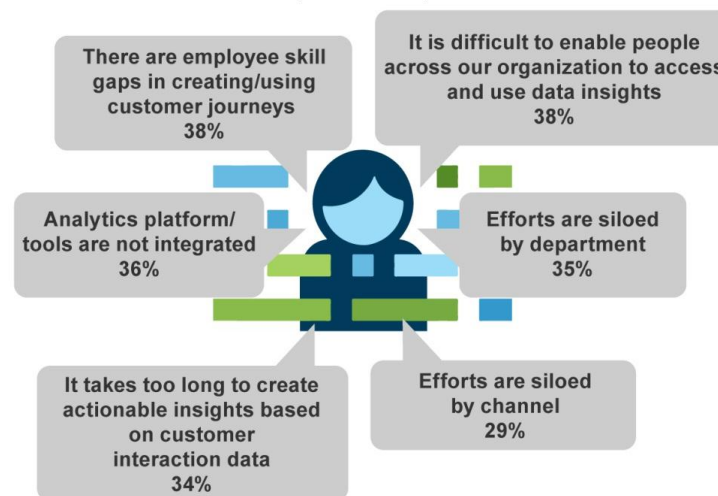
- Technology limitations and lack of data integration challenge companies.** Survey respondents reported that lack of data integration, automation, and speed are the biggest challenges in pursuing robust customer journey capabilities. Thirty-eight percent of respondents said that the data they need is not integrated, and 25% reported that they did not have sufficient tools to capture all the data needed. Given the vast amounts of data that could drive offers or responses to customer actions within the journey, that's not surprising.

“Data is not an easy thing; it's really hard here. The data is very siloed; the [journey] systems do not control platforms [where] data is collected. We're trying to avoid data overload. . . Trying to make sense of all the data we have is overwhelming.”

— VP, customer experience and strategy, US media company

FIGURE 3
Journey Enemies No. 1 And No. 2 — Silos And Skills

“What are the three primary factors preventing your organization from creating a complete view of your customers' journey?”
(Select three)



Base: 200 professionals responsible for customer journey creation and analysis

Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, April 2016

› **Organizations lack the necessary analytics skills to understand the data and act on it quickly.** Hand in hand with the technology challenge is having the right people in place to make sense of it all and translate the data into actionable, customer-obsessed responses. When asked what organizational challenges their firms face in pursuing robust, integrated customer journey capabilities, 38% percent of this study's respondents cited two key issues: 1) a lack of analytics resources and skills to understand the data coming in and 2) that it takes too long to act on insights from reports and dashboards (see Figure 4). Other challenges on the list included low cross-department collaboration, lack of a blueprint for the ideal customer experience, and few skilled marketing resources to respond to the insights derived.

Despite these challenges, companies are seeing the value in doing work to transform their understanding of their customers and the way they engage with them.

"[My company] can't afford to have disparate silos of tools; we need an overarching technology base delivering almost instantaneous results. The way in which we are delivering [our product/service] today is different from the way it was being delivered a few years ago. . . . As our market shifts, [we] have to shift with it. We have to be much more agile in the future. Journey work is going to be critical."

— VP, customer experience and strategy, US media company

FIGURE 4
Firms Are Desperately Seeking Analytics Skills

"What organizational challenges does your firm face in pursuing robust, integrated customer journey capabilities?"
(Please select all that apply)



Base: 200 professionals responsible for customer journey creation and analysis

Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, April 2016

The Incredible Journey: Transforming Around The Customer

Despite the challenges and the enormity of the work, companies are paying increased attention to journey work across their organizations. They are designing ideal journeys, mapping actual journeys, and collecting interaction data as customers navigate those journeys. Customer journey work not only streamlines operations, but it also enables firms to organize around the customer and leverage data-driven insights to serve them as never before. This work will support the following outcomes:

- › **Investment in customer journeys generates a favorable return for businesses.** About half of survey respondents saw the following business benefits in mapping and analyzing customer journeys: higher overall revenues (52%), improved customer retention rates (52%), an increased customer base (50%) and improved customer lifetime value (49%). Most companies have a history with journey mapping to improve operational efficiencies but are now also seeing a clear opportunity to leverage customer journeys to improve revenue.

“[Past customer journey efforts] were all about cost reduction, but we need to focus more on the customer. . . . We are trying to change culture to customer centricity. That includes getting people to think end to end, empathize, and leverage the voice of the customer, and seeing the data [that’s available] as relevant to the customer’s goals.”

— Manager, customer experience transformation, mobile service provider

- › **Customer journey professionals want to improve their customer journey technology strategy and training programs.** A customer journey platform will provide the integrated power to map journeys, understand how customers move through their journeys, and optimize with real-time data to provide contextually relevant responses and offers that meet customers’ needs in the moment. But just as important is the organizational investment in people across functions who will use the technology to innovate in service of the customer (see Figure 5).

FIGURE 5

To Optimize, Invest In Technology And Cross-Functional Training



Base: 200 professionals responsible for customer journey creation and analysis

Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, April 2016

- › **Companies will drive customer journey success across functions.** While marketing leads the charge in customer obsession, it needs support and expertise from across the enterprise. Customer journey leaders think a variety of things will have an impact on customer journey mapping and analysis over the next five years, including creating cross-functional relationships to increase action on insights (32%), increasing mobile presence to engage with the customer at their time of need (31%), and understanding journey campaign effectiveness across channels and devices (30%). Companies will require a journey strategy that will rely on understanding *all* the data. Journey analytics helps companies identify and optimize opportunities to retain customers, drive incremental purchases, and encourage positive word of mouth.³

Customer journeys are a valuable window into how customers engage with brands in pursuit of a goal — exploring, buying, and using a company’s product or service. But firms need to go further than customer voyeurism; they must leverage data to measure, analyze, and optimize journeys to help enhance customer experience, refine marketing strategies, increase sales, and streamline service. Firms that are leading the charge are taking the next step in their customer journey thinking by using analytics to systematically measure and understand individual and aggregate journeys. This step promises to change the way those companies organize and work in service of their customers.

Key Recommendations

Customer journeys tell us what customers are doing, thinking, and feeling; the touchpoints they use; and the people they interact with along the way. They are a lens into how customers engage with brands in pursuit of a goal. As such, customer journey work is critical to engage customers and improve the bottom line. It seems like a simple mandate for marketing and customer journey professionals — discover what their customers want and need, and serve them best in that context. This is easier said than done, however. Companies must transform in the following ways:

- › **Invest in customer journey technology that empowers customer engagement.** As customers use technology differently to accomplish their objectives, so too must the business reconsider the role that technology plays in achieving success in the age of the customer. For the customer journey, that means designing systems of insight and engagement to connect with customers in context. Marketers and technology professionals must work in partnership to build contextual marketing engines that align interactions with insights in a continuous loop.
- › **Invest in an analytical mindset across the organization.** The deep skills that analytics professionals bring to the table are critical. But also important is cultivating an analytical approach across all roles and functions (especially in marketing), so that data-driven insights can now be leveraged to win, serve, and retain customers. Ensure that people's knowledge and skills are applied well, and connect insight to action. Easily consumable and more accessible insight from journey data, along with processes formalizing collaboration and knowledge sharing, enable consistent organizational learning and help the enterprise focus on the customer.
- › **Move beyond using journey data for tactical decision-making alone — customer journeys can inform strategic and transformative changes in service of the customer.** Connecting insight to action means not only being able to pop up a customer offer in the journey, but also understanding how trends and changes in behavior could signal deeper and possibly disruptive shifts in customer need or preference. Customer journey professionals can use the insights gained to change and improve the paths customers take to purchase and serve them better.
- › **Create a sharing culture.** Leaders who seek success in the age of the customer will build an intelligent enterprise, where customer knowledge is drawn from everywhere, curated centrally, and shared across the entire enterprise so that all stakeholders can act upon it and measure the results. This ambition depends on people, processes, and technology that are singularly dedicated to using customer insights to inform the strategy, identify growth opportunities, and optimize customers' experiences.⁴

Appendix A: Methodology

In this study, Forrester conducted an online survey of 200 customer journey professionals in the US, the UK, France, and Germany to discover their customer journey practices, technology investments, challenges, and strategies. Survey participants included business-to-consumer (B2C) and business-to business (B2B) professionals who work with customer journey mapping and analysis. Questions provided to the participants asked what part of the customer journey they are mapping and analyzing, what their goals were for customer journey work, who in the organization was involved, what tools they used, and how customer journeys had an impact on the way they did business. In addition, Forrester interviewed five senior decision-makers in marketing and/or customer experience to provide examples of and anecdotal insight into their firm's customer journey experiences. The study began in March, 2016 and was completed in April, 2016.

Appendix B: Supplemental Material

RELATED FORRESTER RESEARCH

"Brief: Customer Journey Mapping Is Becoming Key To Digital Transformation," Forrester Research, Inc., October 14, 2014

"Unlock Customer Context With Marketing Technology," Forrester Research, Inc., January 2, 2015

"Drive Customer Obsession With Journey Analytics," Forrester Research, Inc., November 30, 2015

"How To Use Customer Journey Mapping Software," Forrester Research, Inc., March 4, 2016

"Combine Systems Of Insight And Engagement For Contextual Marketing," Forrester Research, Inc., April 20, 2016

"Brief: Learning From Three Early Adopters Of Customer Journey Analytics," Forrester Research, Inc., May 2, 2016

Appendix C: Endnotes

¹ Source: "Unlock Customer Context With Marketing Technology," Forrester Research, Inc., January 2, 2015.

² Source: "How To Use Customer Journey Mapping Software," Forrester Research, Inc., March 4, 2016.

³ Source: "Brief: Learning From Three Early Adopters Of Customer Journey Analytics," Forrester Research, Inc., May 2, 2016.

⁴ Source: "The Customer Life Cycle: A Blueprint For Customer-Obsessed Enterprises," Forrester Research, Inc., January 27, 2016.