



The 2020 CX Industry Report

When business is human, insights drive innovation



UserTesting®

Foreword

Welcome to our seventh annual Customer Experience Industry Report. This year's report faced a special challenge: The data collection was completed in January, just before the global outbreak of the coronavirus, COVID-19. As a result, there were no questions in the survey about the impact of the virus. We're collecting that information now, and I want to share a quick look at what we're finding.

The effects on each industry, and each company, are very diverse, but here are some general themes emerging:

- Social distancing has prevented companies from getting face-to-face customer feedback through conferences, in-person labs, and meetings—traditional methods many companies relied on for insight gathering. Many of these companies are looking to remote user tests as a way to replace that customer insight.
- Many companies are finding that customers are more stressed and emotional than usual, and are accelerating their deployment of user tests to:
 - Get fast feedback on marketing messages, to ensure that they don't accidentally offend or upset people.
 - Better understand how their customer's needs are changing in light of COVID-19.
 - Give all employees a general sense of empathy for their customers during these times.
- Some companies are reducing all spending. Many CX professionals are focused on documenting the value of their work and helping their companies prioritize. Some, unfortunately, have been furloughed.

We're doing our best to help you work through these issues, no matter what your particular situation is. Let us know how you're doing and how we can help.

We're also monitoring the effect of the pandemic on consumer attitudes, to help you identify impacts on your industry. You'll see an ongoing series of reports from us on this subject, but it's already clear that many consumers yearn to see more cooperation, patience, and mutual support in society. It's up to all of us to provide that support.

Netting it all out, the pandemic may end up accelerating the evolution that was documented in the report:

- Digital transformation, rather than being an important future direction, is now becoming a matter of survival for many companies that rely on brick and mortar sales.
- Using great CX to drive efficiency and deeper engagement is critical as companies seek to reduce costs and preserve as much growth as they can.
- As companies and business models are rapidly pivoting and adapting, key decisions need to be made at an accelerated pace. The survey found that 95% of executives report CX is important, but only 50% of respondents were empowered to use customer insights to inform decision making. That needs to change if companies are to adapt quickly.
- It's now more important than ever for many teams across a company to understand customer needs, reactions, and behaviors in real time—so they can create better messaging, apps, product offerings, and strategies with confidence.

We present this report in a spirit of hopefulness; in hopes that it can help you build the experiences that your customers are looking for in these stressful times, and that it'll help you create the foundation for a deeper relationship with your customers as we emerge from this crisis.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy MacMillan', with a large, stylized flourish at the end.

Andy MacMillan
CEO, UserTesting

Table of contents

Commentary

Key findings

- Teams are ready and willing to drive CX
- There's a will, now it's time to pave the way
- Human insights will drive future innovation

Methodology and survey results

Making business more human: the next competitive battleground

The concept of customer-centricity or being human-centered is nothing new. Just look back at most innovations and you'll see there's a clear motivation at the heart of each of them: making people's lives easier, more enjoyable, and more efficient. From the invention of the wheel to the smartphone in your pocket, getting feedback from the people who interact with these technologies is what inspires the innovation and creativity required to keep up with—and delight—an ever-evolving society.

This is why business—a successful business—is fundamentally human.

The idea that business is human may seem a little fluffy at first. And how exactly can a company be more human? It's a business, after all, right? While that may be true, it helps to remember that all companies have one thing in common: they're powered by humans. And one characteristic that sets companies apart and makes customers want to continuously engage with (and buy from) them is a company's ability to see the human at the other end of their product.





No one likes the experience of going to the DMV or passport office, for example, because people are quite literally treated like numbers. The products and experiences that stick with people are the ones that feel like they were made for them—like a company had somehow heard their thoughts and frustrations and built something that alleviated that friction.

That's exactly what customer-centric companies do. They bring the human back into the equation—to the business—and focus on meeting customer needs as the most important driver for achieving their goals and the bottom line.

UserTesting's 2020 CX Industry Survey reveals that despite the clear importance and impact of great CX, there's still work to be done when it comes to making business more human. Teams know the value of human insights, for example, yet haven't quite made the leap toward weaving them into their processes. And companies still have a lot of room to grow when it comes to implementing and operationalizing clear strategies for taking action on the customer insights they gather.

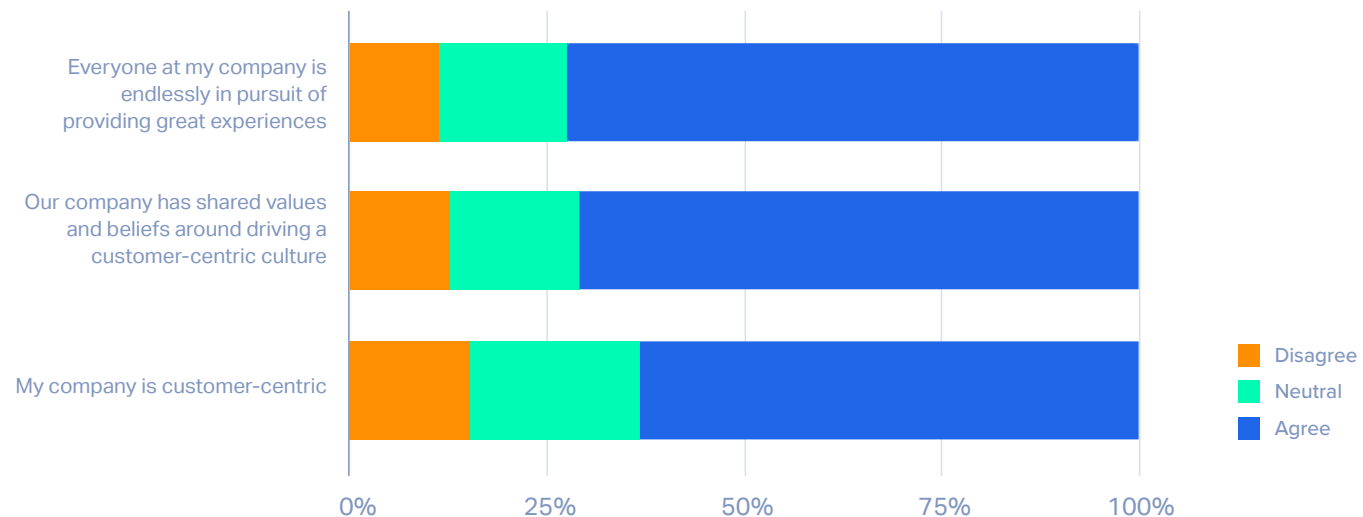
The opportunity for companies to step up to meet the needs of their customers by promoting, establishing, and supporting a business that's more human can't be overstated. Understanding the consumer behind every product and experience brings companies closer to their customers and empowers and inspires teams to innovate and grow.

Teams are ready and willing to drive CX

Although it's a natural and expected part of doing business, change is never easy for a company. Getting an entire team on board with a shift in focus or approach takes a lot of coordination, patience, and effort on everyone's part, and even then the idea might not take hold. Now imagine the challenge scaling that across an entire company.

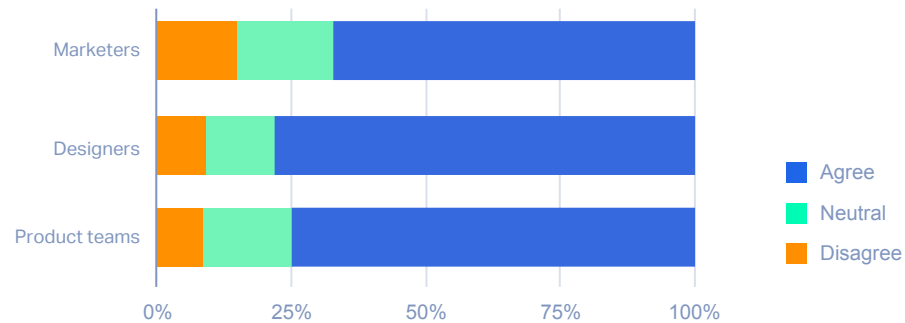
Fortunately, many organizations have already achieved this milestone, and teams are enthusiastic and have bought-in on the idea that a customer-centered approach leads to better outcomes for both the customer and the business.

We see this play out in our survey responses this year. When asked if they felt that their company was customer-centric, 60% of respondents agreed, 55% reported that everyone in the company is constantly working toward creating better experiences, and 74% said that their organization had shared values and beliefs on driving a customer-centric culture.



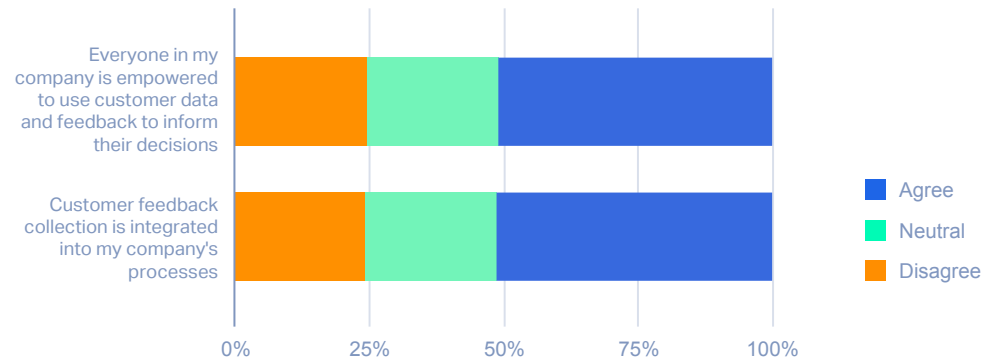
And the vast majority of marketing, design, and product teams all agreed that it's important to gather customer feedback before launching content, designs, and products.

I should get customer feedback on content, designs, and products



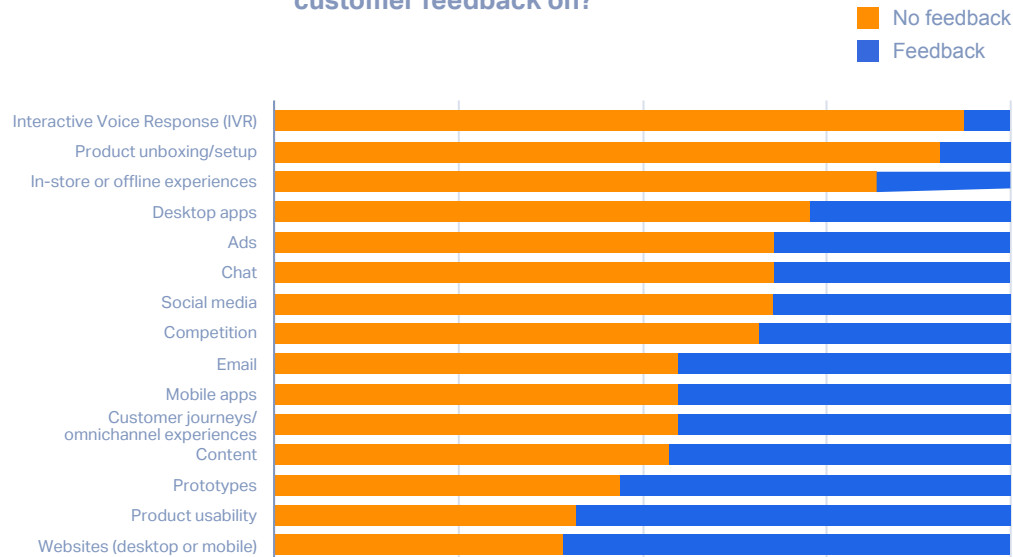
Companies don't seem to need much convincing that centering their business around the customer is the right move—both for customers and the bottom line. And that's great news. Getting an entire organization bought-in to moving in the same direction is no small task. But getting people aligned on the culture is only half the battle.

When asked if gathering customer feedback was integrated into company processes, only 50% agreed. And when it comes to scaling insights across the organization, again, only 50% agreed that they were empowered to use customer insights to inform their decisions.



Despite teams' alignment and best intentions, there's a discrepancy between what teams aspire to do and what actually happens. When presented with a list of experiences often tested with customers, the majority of respondents reported that they weren't getting feedback on those experiences.

Which of the following experiences does your company currently gather customer feedback on?



It's clear that teams are inspired and ready to run with a customer-centered strategy and culture, but they need the structures, strategies, and operational support from the organization to fully execute and innovate on the human insights they gather from customers.

There's a discrepancy between what teams aspire to do and what actually happens.



There's a will, now it's time to pave the way

Just as there's a disconnect between what teams aspire to achieve and what they do, there's also a gap between the importance organizations place on CX and the execution on strategies and structures to make that possible.

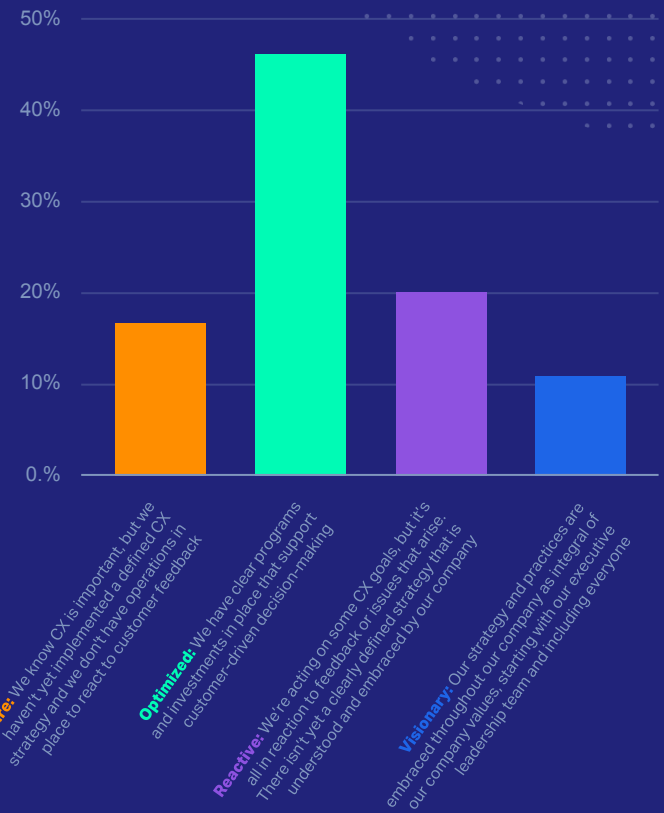
For example, 95% of executives report that CX is important, yet only a third of employees surveyed said that their organization has a proactive approach to CX—the rest only react when there's a problem, or worse, have no strategy at all.

Customer-centric companies actively seek out and resolve problems—before they become acute. They empower teams to produce great experiences by making customer empathy core to their culture and employees empathetic to customers from the start.

Mature CX organizations have structured strategies in place, with expectations for everyone in the organization—not just researchers—to spend time listening to customers and incorporating insights from their feedback into their work.

These companies make their business more human by scaling customer feedback in ways that give their customer a seat at the table when business decisions are being made. As a result, teams build better products and experiences and have concrete support, directly from customers, to help them keep up with customer demands and innovate beyond their expectations.

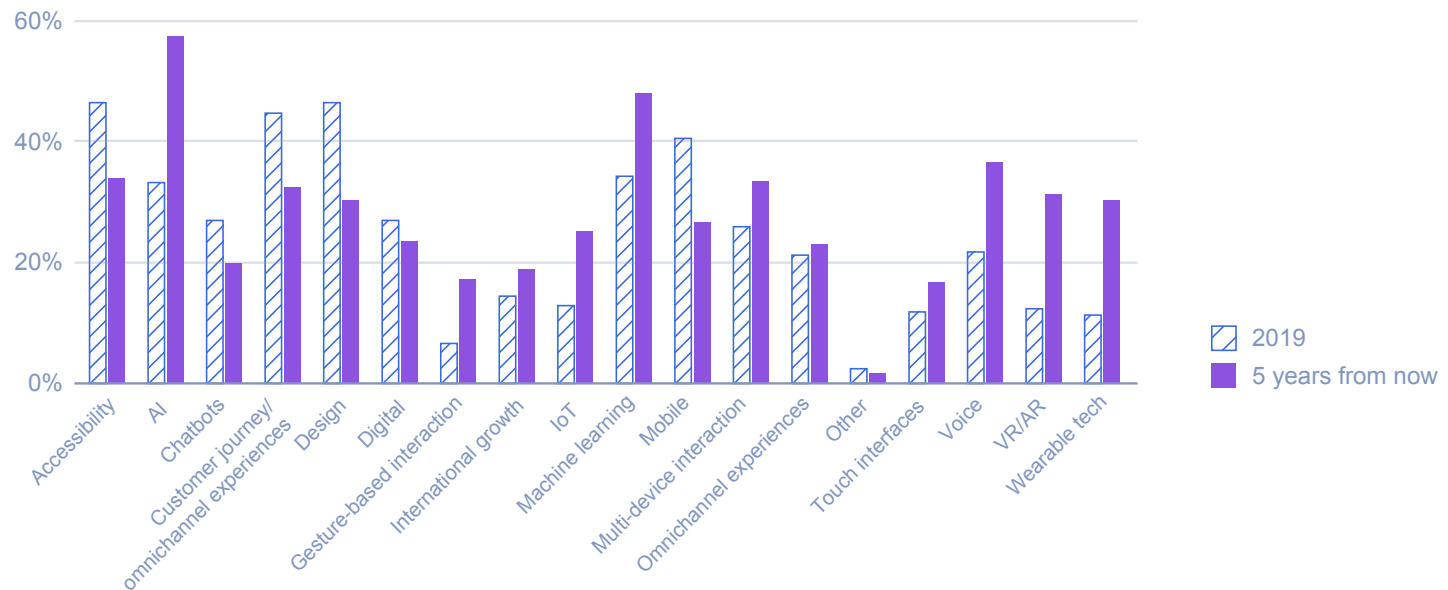
Only a third of employees said their organization has a proactive approach to CX.



Human insights will drive future innovation

It's difficult to predict what technologies and experiences will emerge in the coming years, but one thing is certain: human insight is the key to staying connected with consumer needs and ever-changing trends. There's no telling what will capture the hearts, minds, and dollars of consumers in coming years. And the past doesn't necessarily predict the future—what was important in 2019, might not be so five years from now.

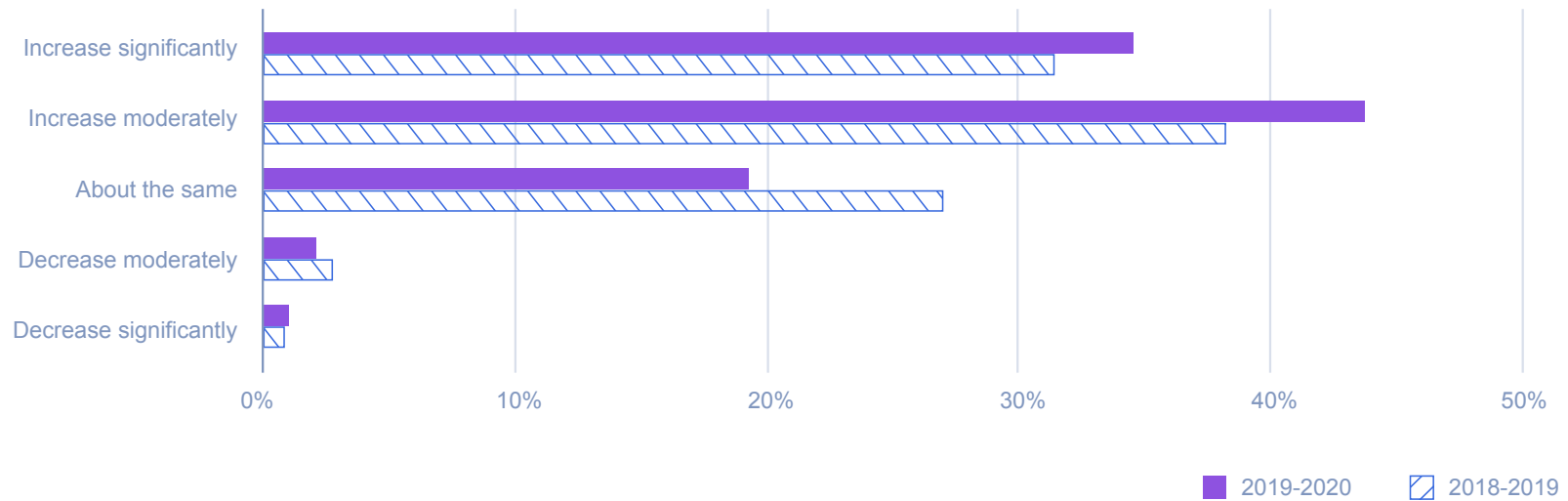
What were the most important trends affecting customer experience in 2019, and which will be most important five years from now?



Customer-centric companies know that to stand a chance with a moving target like trends, zeroing in on human insights will distinguish the innovators from the followers.

These same CX leaders are doubling down on customer feedback, anticipating the increased need to make their business more human no matter what specific technologies or trends are emerging. The vast majority of respondents, 72%, report that they expect to see an increase in the frequency of gathering customer feedback in 2020, up from 57% in 2019.

How did the frequency of your organization's collection of customer feedback in 2019 compare to 2018, and looking ahead to 2020, how do you expect it to change?



This is how making business human equips teams with the vision they need to constantly innovate and evolve. Innovation doesn't come from doing things the way they've always been done. It's inspired by taking cues from outside your usual sphere of influence and seeing how things work in the real world, according to the people who actually use your products—or your competitors'. Whether it's AI or we see an increase in brick-and-mortar experiences in the future, the key to understanding and anticipating customer needs can be traced back to one simple maxim: when business is human, insights drive innovation.

“We have to meet the unmet, unarticulated needs of the customers. That's the source of innovation. So if there's anything that we've got to make sure each day, each week, each year that we do is to be in touch.”

-Satya Nadella

Methodology

In this seventh annual Customer Experience Industry Survey, we asked over 7,600 professionals from around the world* across a wide variety of industries how their organizations are approaching customer experience and conducting CX research.

The survey was divided into sections based on the respondent's job role, plus a set of general questions asked of everyone.

- Asked of everyone
- Asked of marketers
- Asked of researchers
- Asked of designers
- Asked of product teams
- Asked of executives

*Countries represented in the survey:

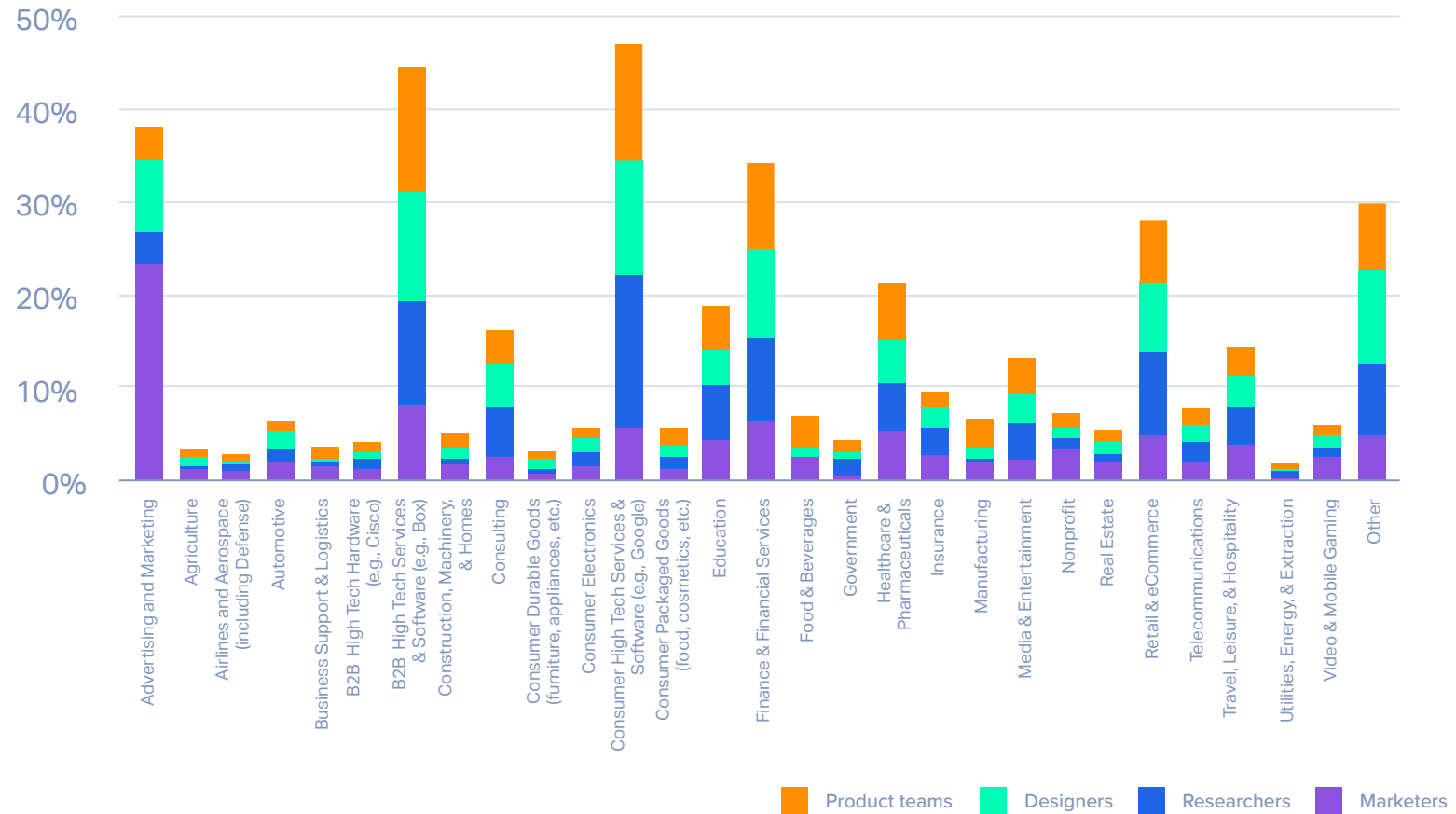
Australia	Italy	Spain
Canada	India	United Kingdom
France	Mexico	United States
Germany		



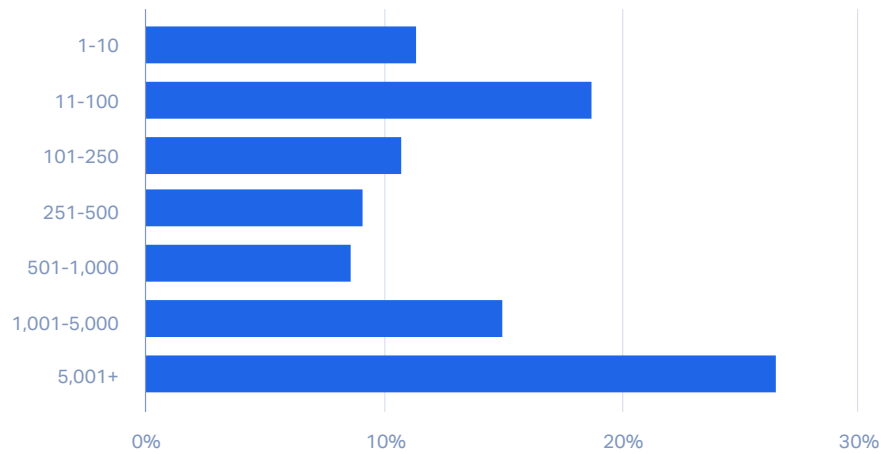
Survey Results
Asked of everyone



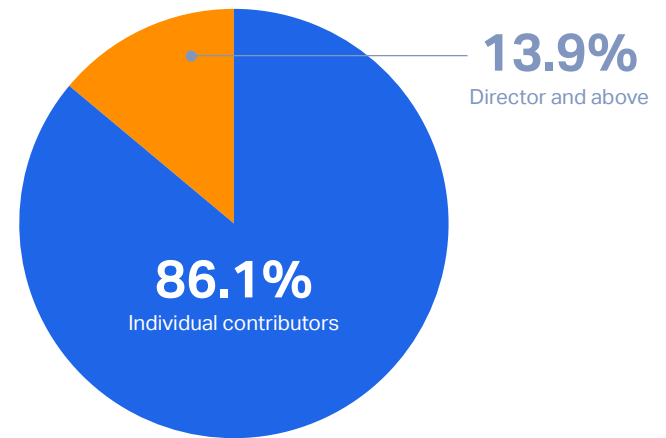
Which of the following best describes the principal industry of your company?



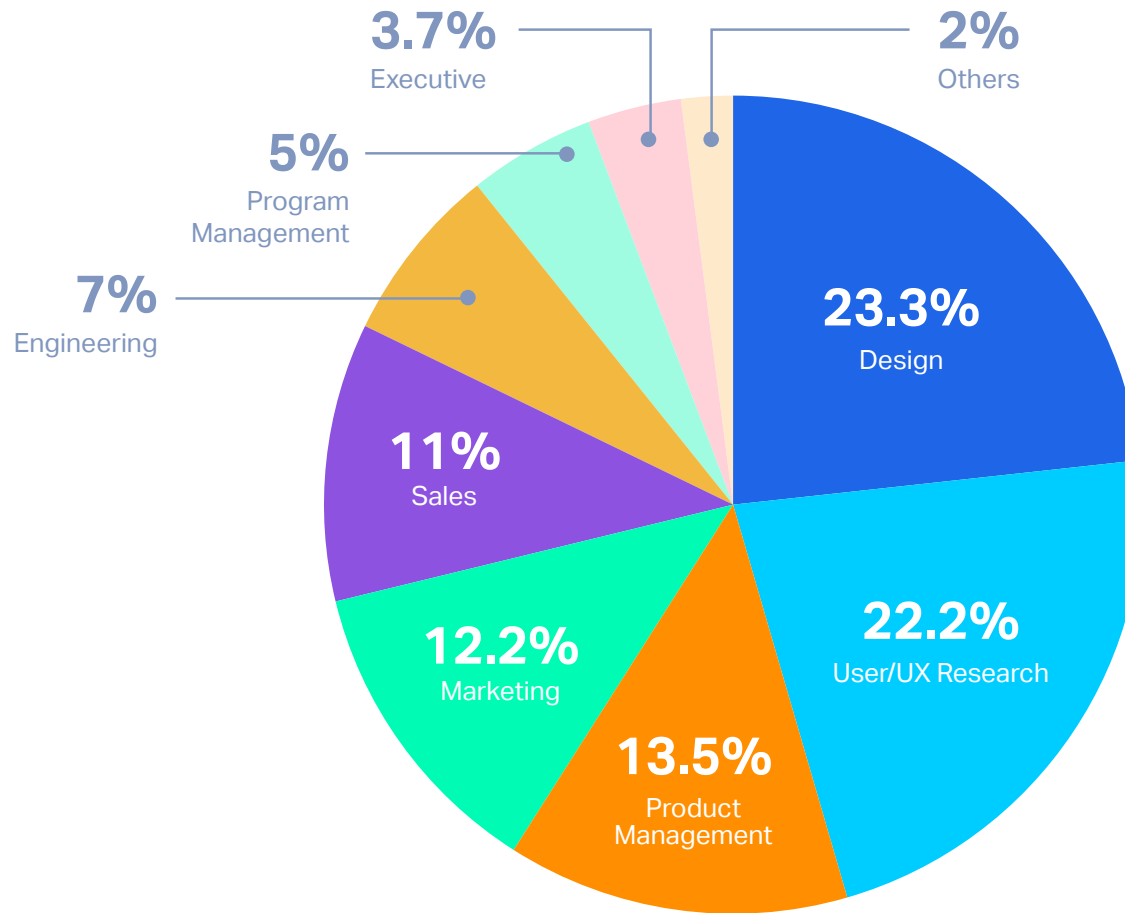
How many people are employed by your company?



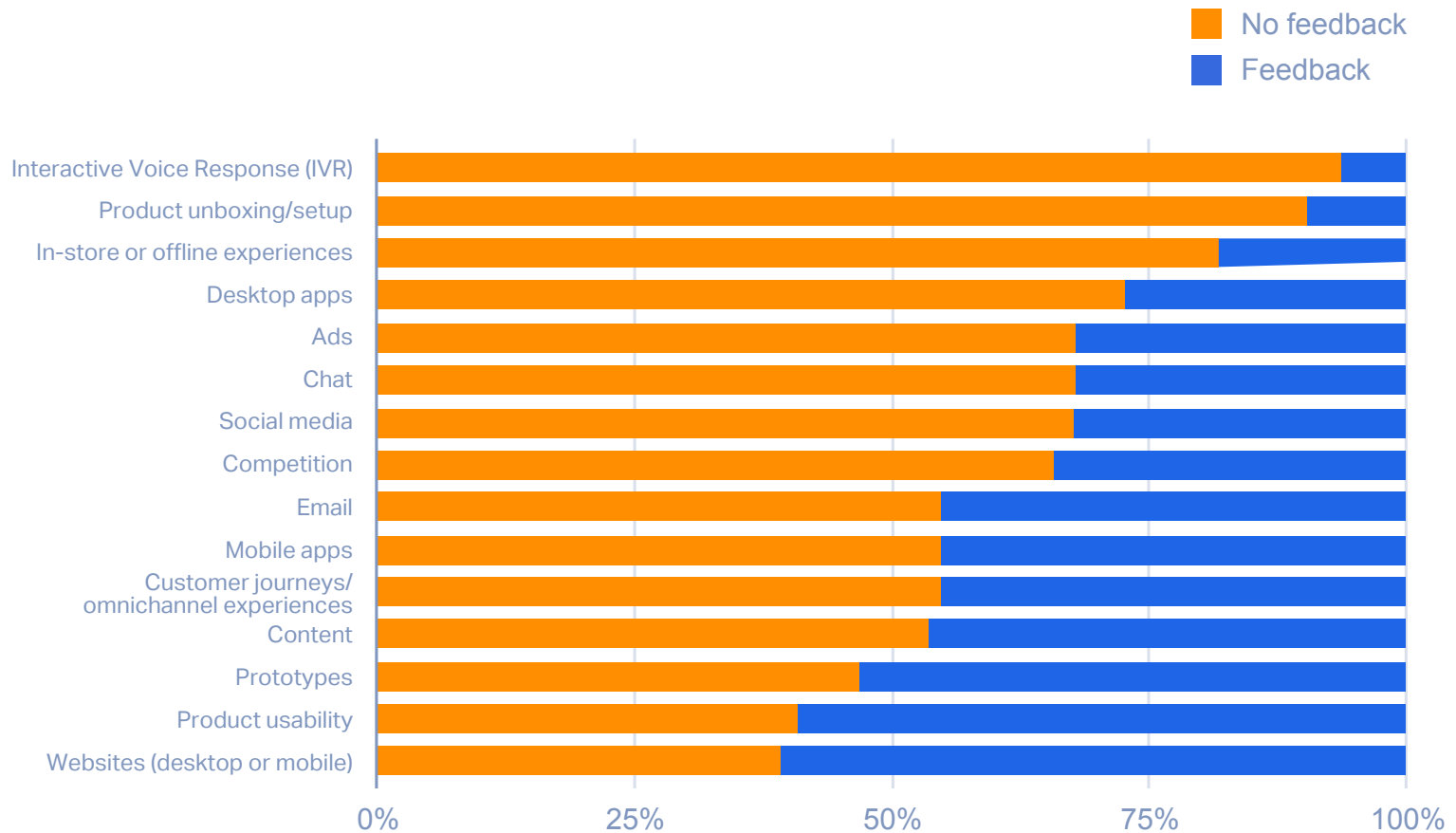
Which phrase best describes your job role?



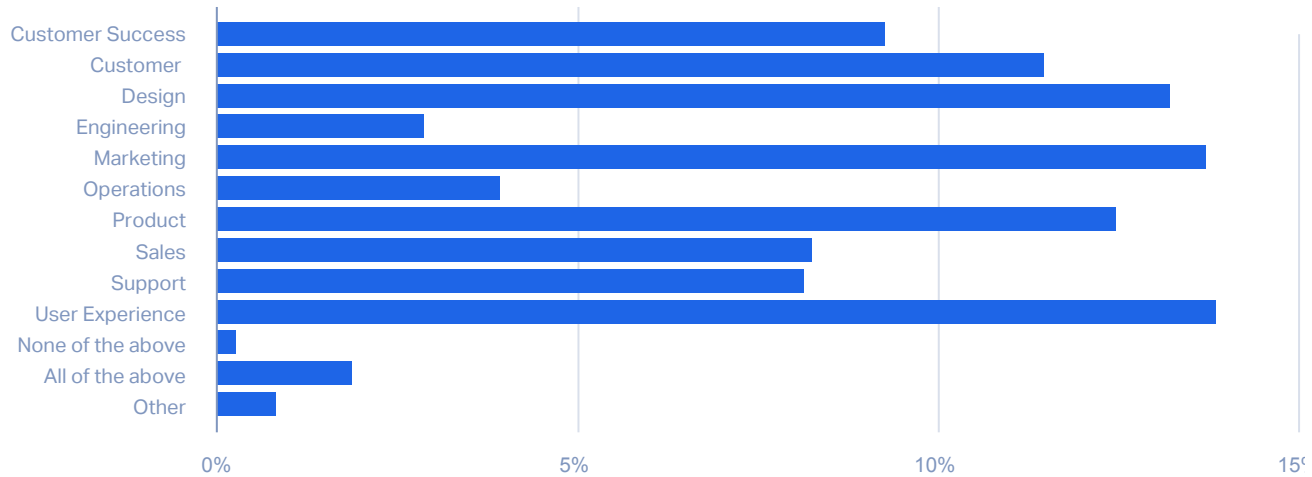
What team are you on?



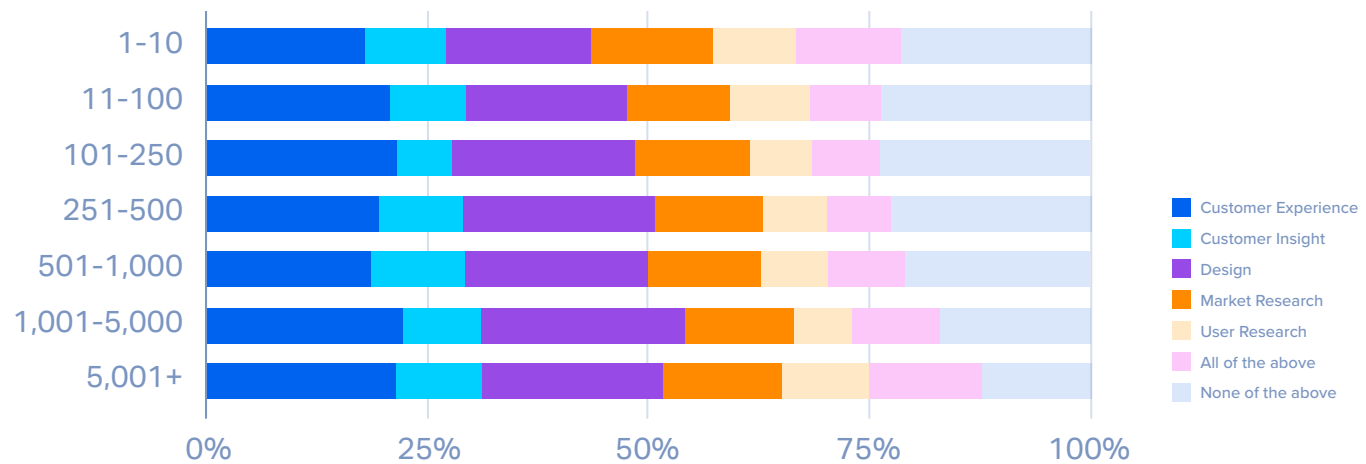
Which of the following experiences does your company currently gather customer feedback on?



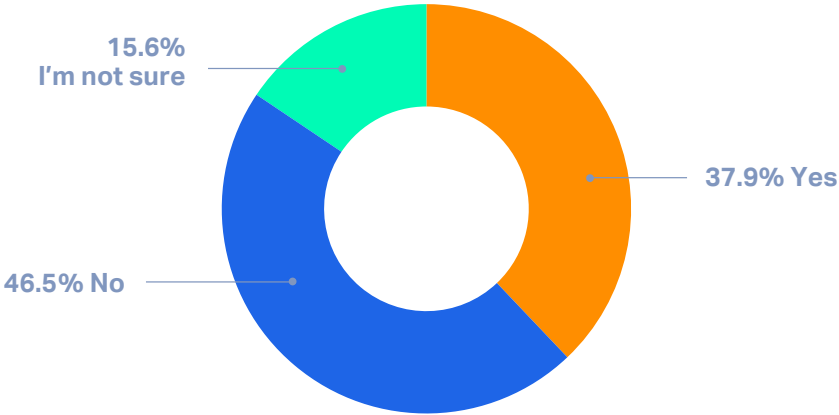
Which teams in your company currently collect customer feedback?



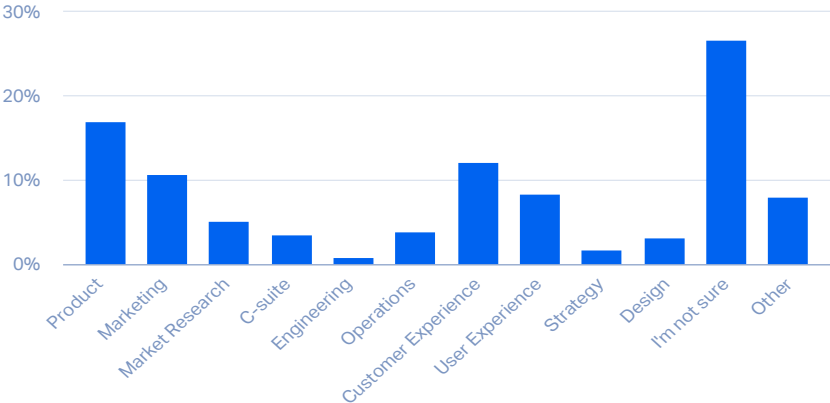
For which of the following roles do you have senior executives (VP or above) in place?



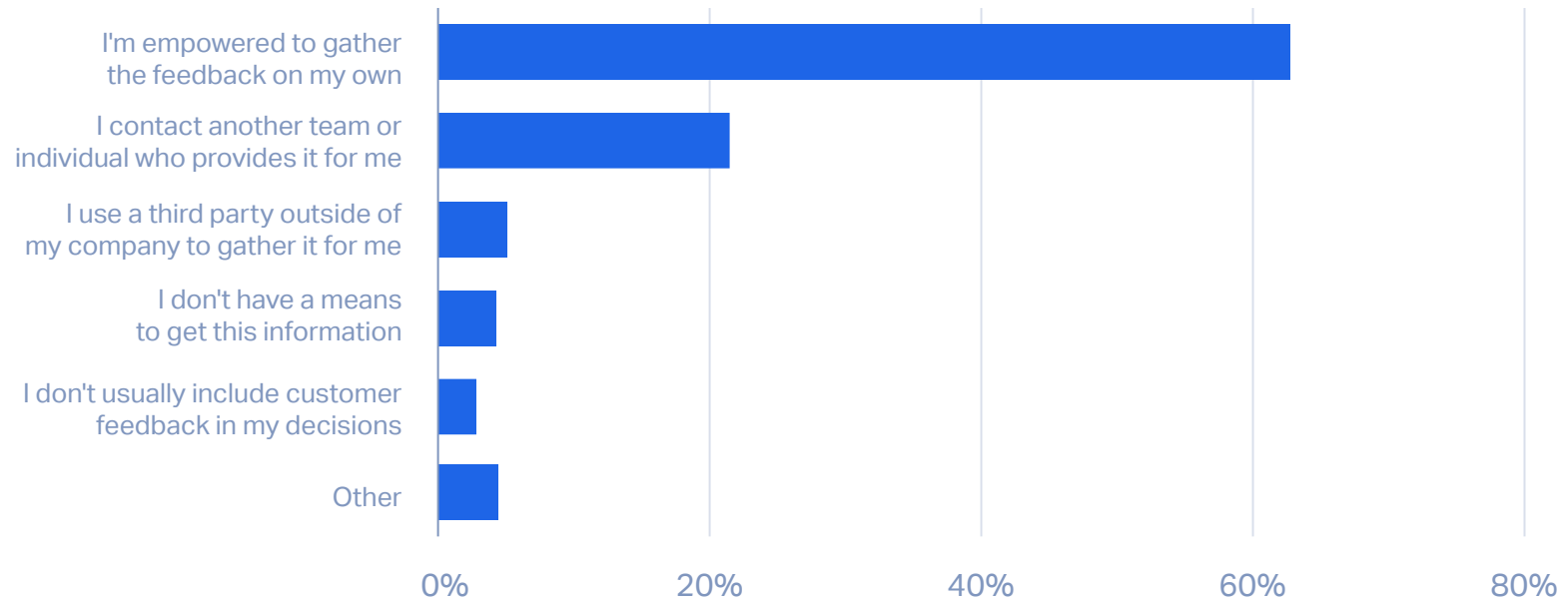
Does your organization have a dedicated team that “owns” customer feedback?



What department does the team that “owns” customer feedback report to in your organization?

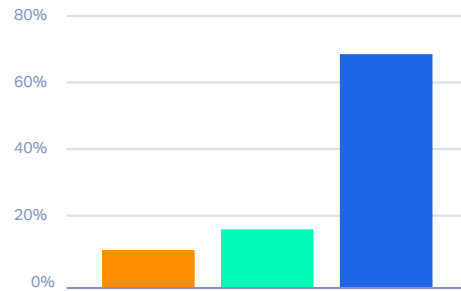


When you need customer feedback to make a decision, how do you get it?

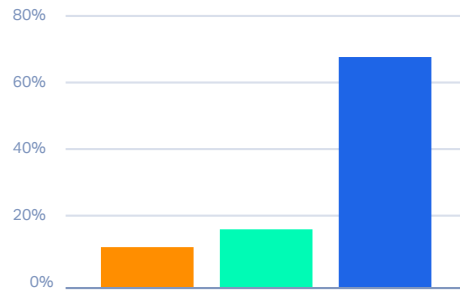


Please indicate how strongly you agree or disagree with the following statements

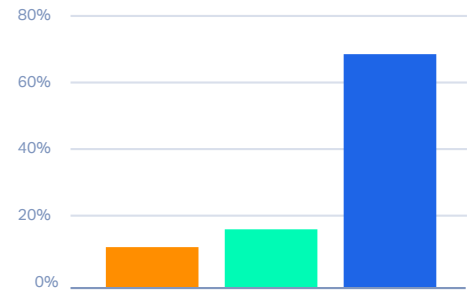
Executives at my company are aligned and bought in on the value of providing a great customer experience



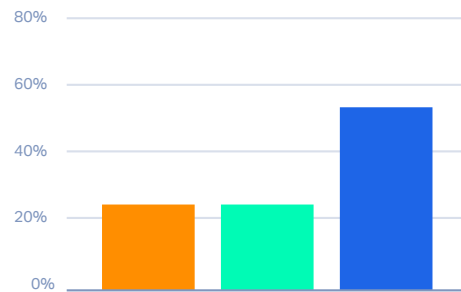
Our company has shared values and beliefs around driving a customer-centric culture



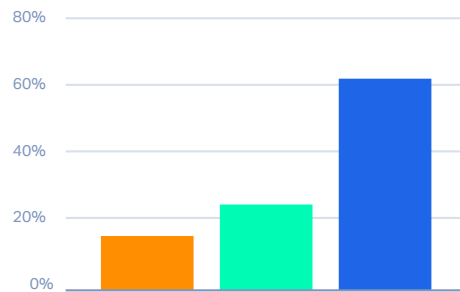
Everyone in my company is empowered to use customer data and feedback to inform their decisions



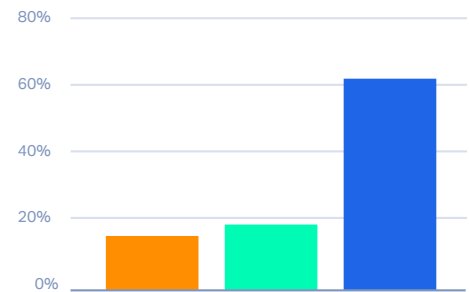
Customer feedback collection is integrated into my company's processes



My company is customer-centric

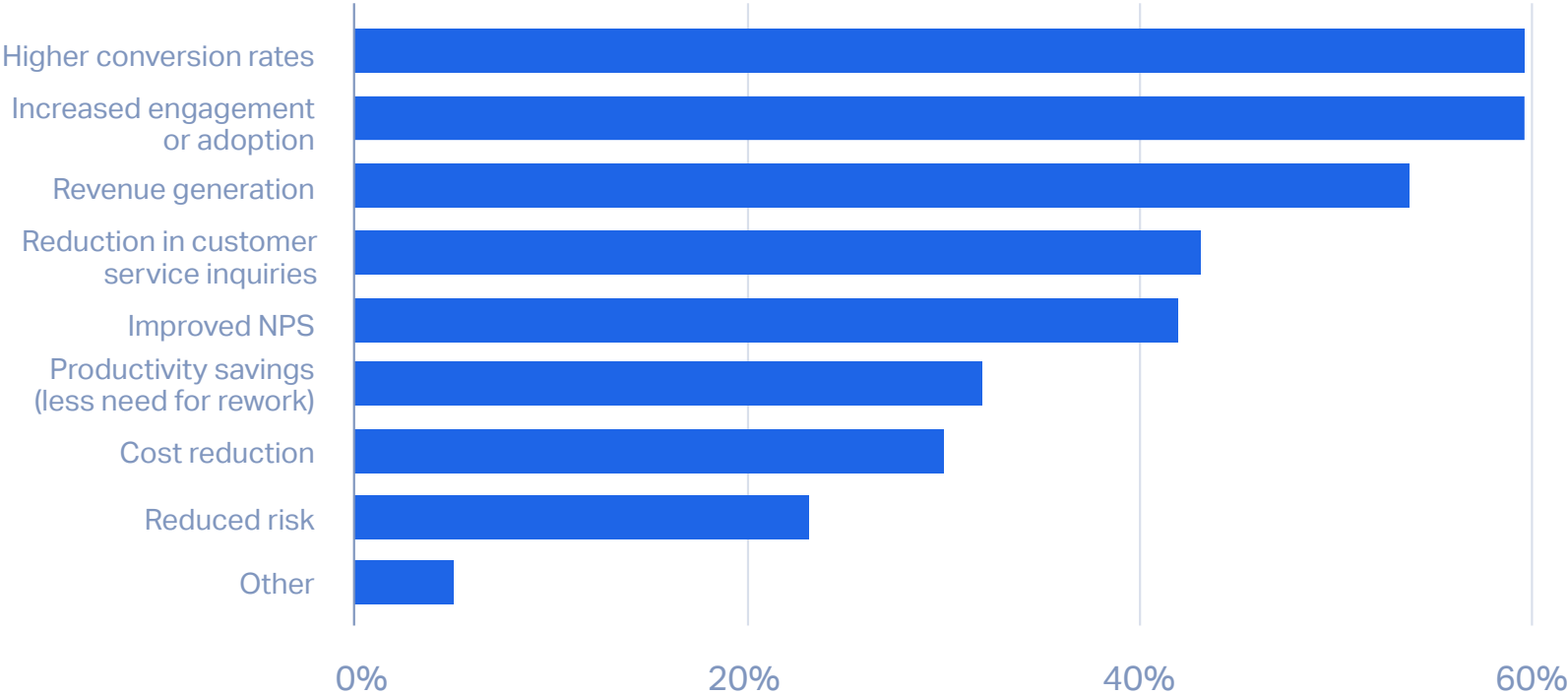


My CEO drives a customer-centric culture

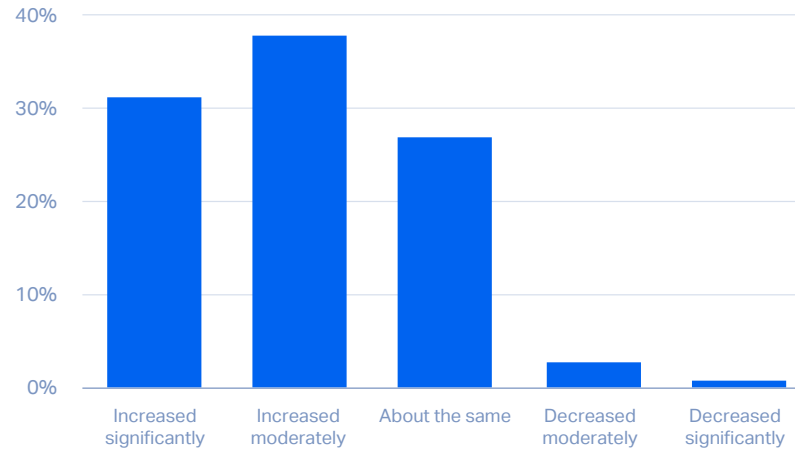


Disagree Neutral Agree

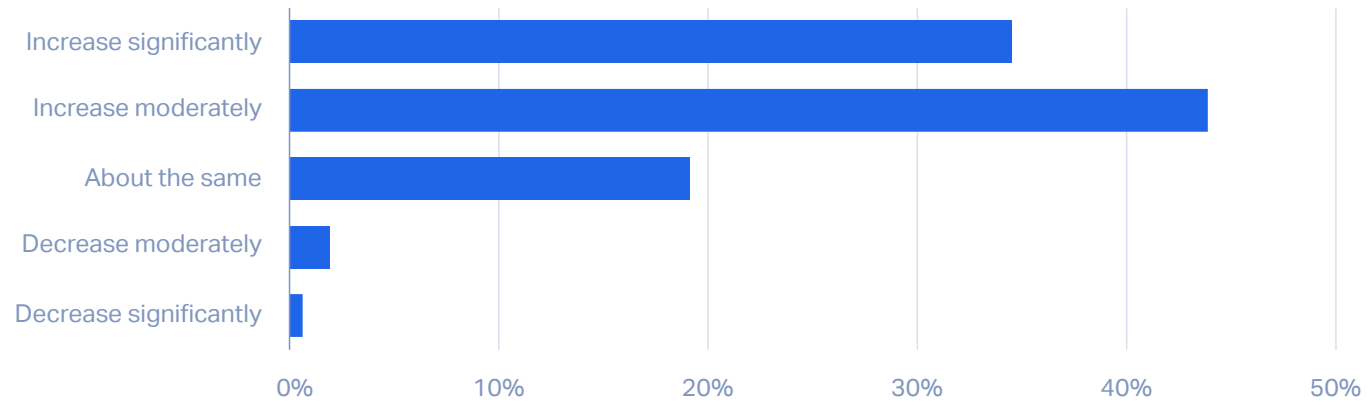
How do you measure the impact of the customer feedback you collect?



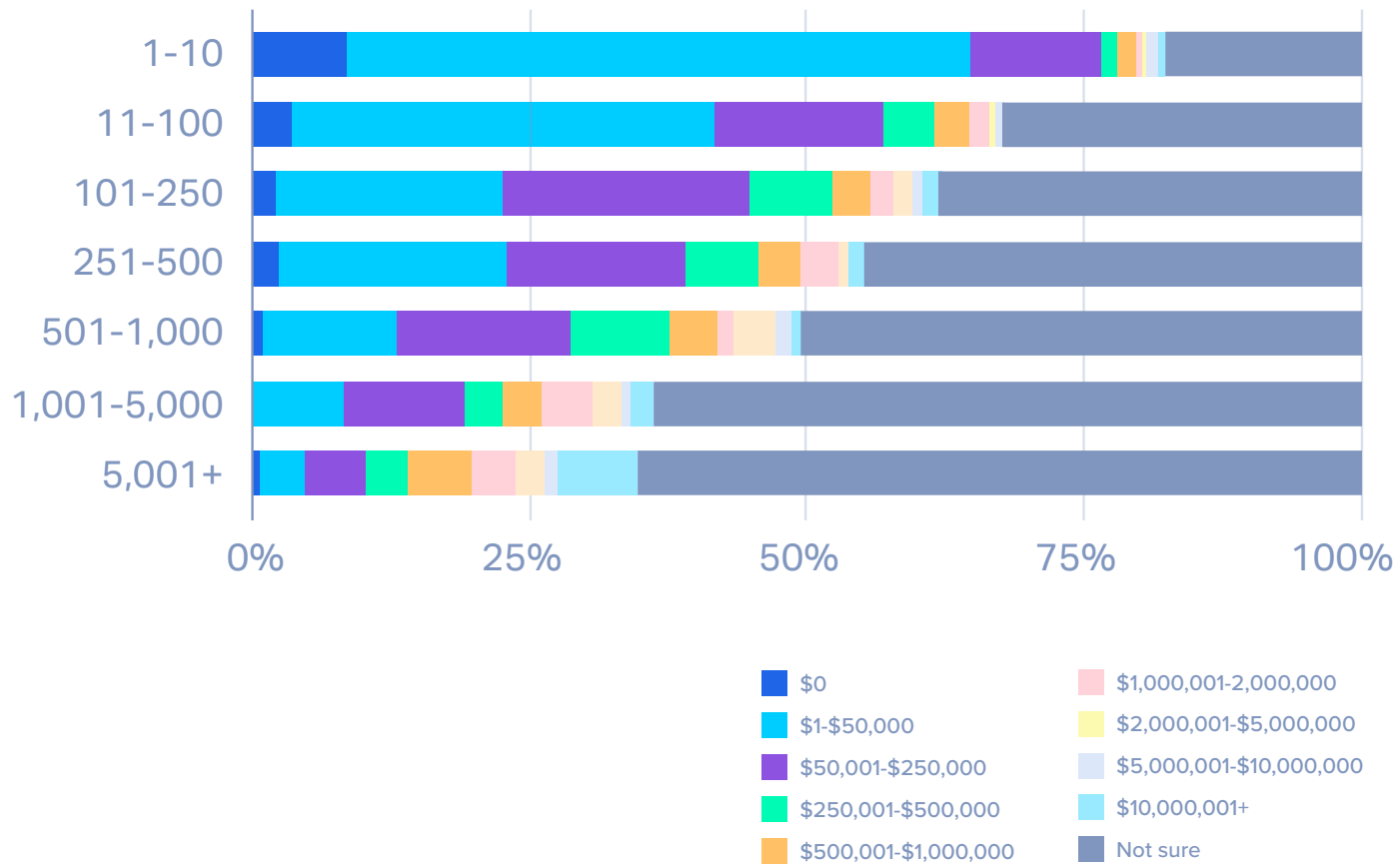
How did the frequency of your organization's collection of customer feedback in 2019 compare to 2018?



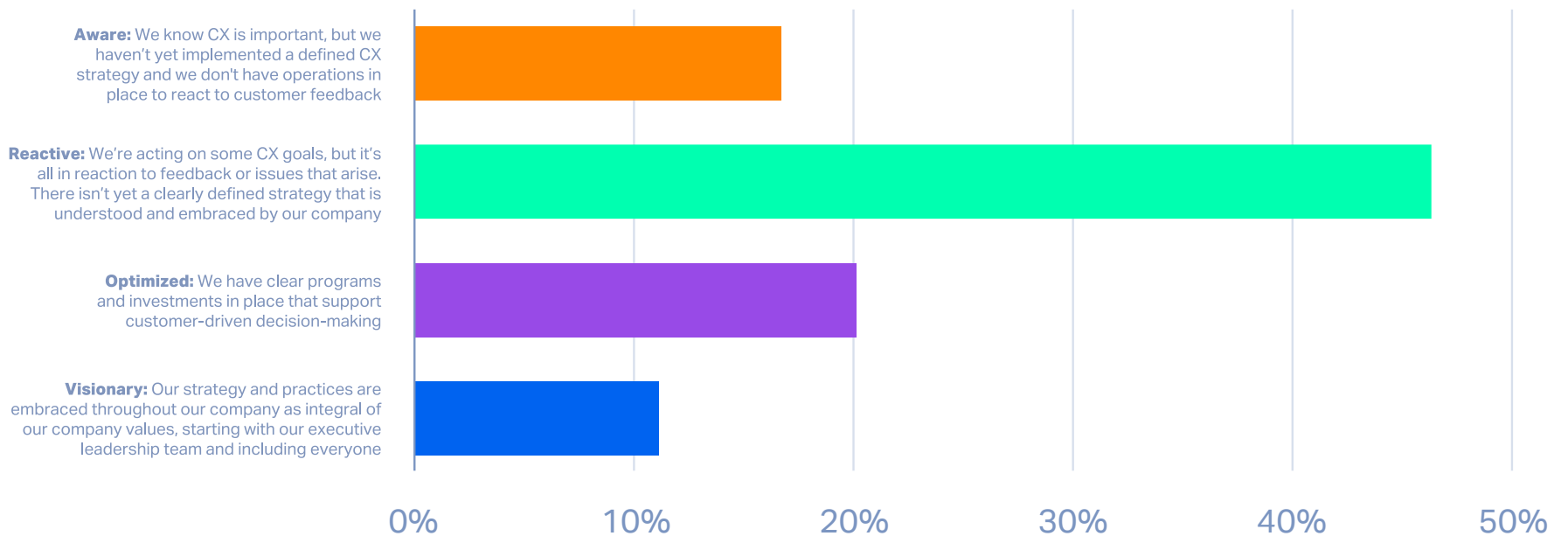
Looking ahead into 2020, how do you think the frequency of your organization's collection of customer feedback will change?



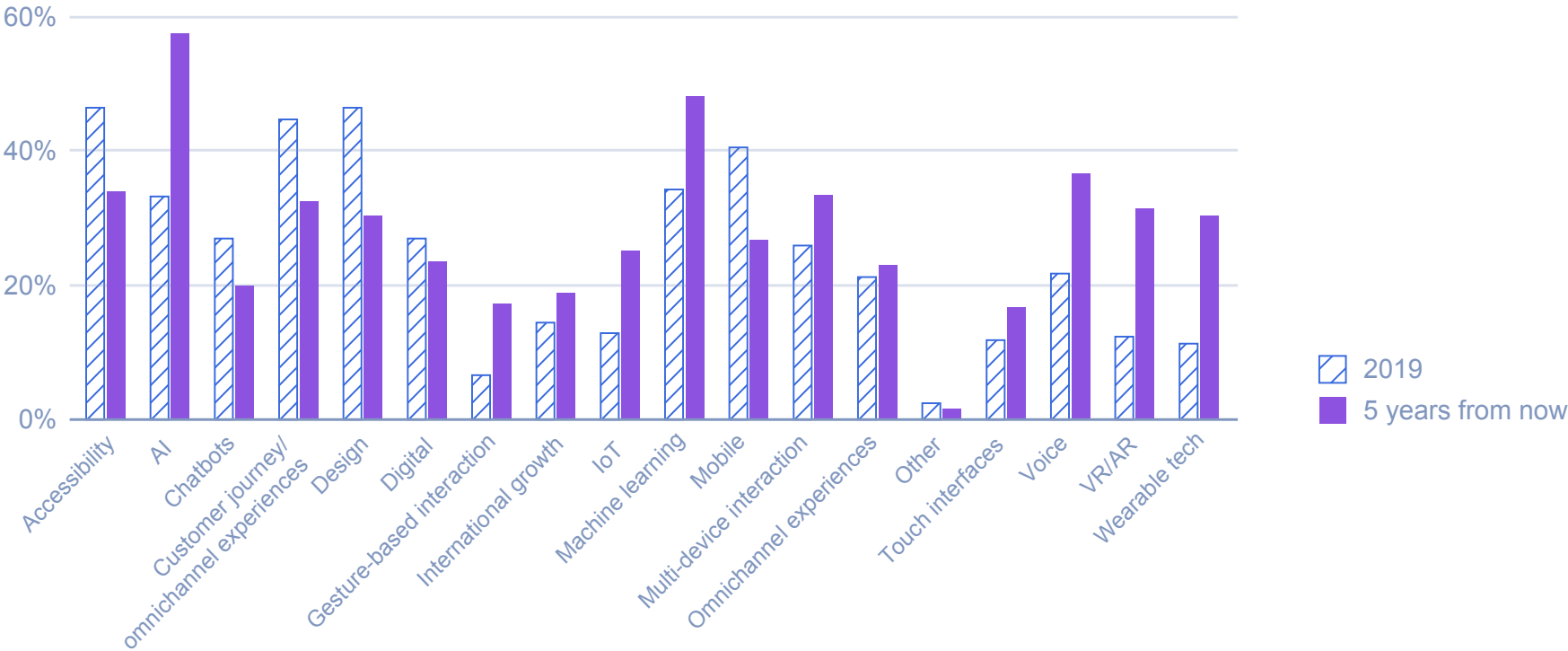
On average, what is your organization's yearly total investment for gathering customer feedback (headcount, technology, third parties, and T&E)?



How would you classify the maturity of your organization when it comes to providing great customer experience?



What were the most important trends affecting customer experience in 2019, and which will be most important five years from now?



Asked of marketers

Marketers are naturally predisposed with an interest in how their content resonates with customers, however, many of the industry-favored metrics, like NPS, only tell part of the story. The gap between what the numbers say and what they mean can define the success or failure of a campaign.

Among marketers, 79% believe the content they create impacts their company's overall CX and 64% agree they should get customer feedback before launching any content, yet when asked how often experiences were tested with customers, not a single experience was tested more than 50% of the time—despite 74% of Marketers reporting that they're empowered to gather customer feedback.



79%

believe the content they create impacts their company's overall CX

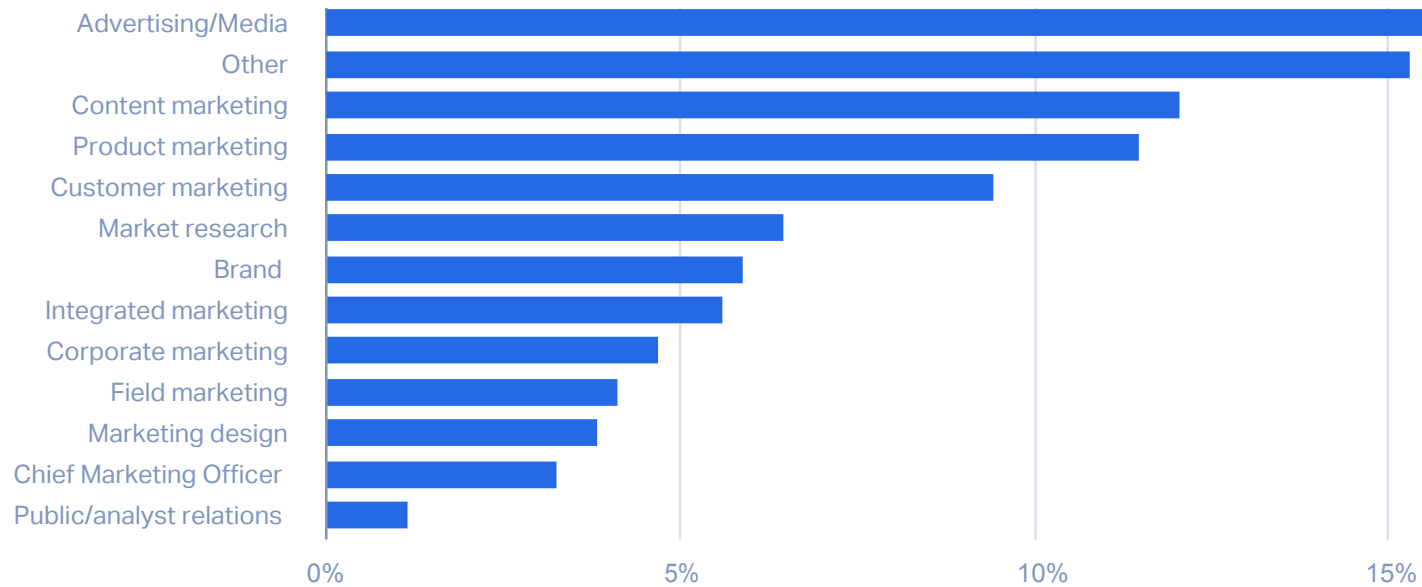


64%

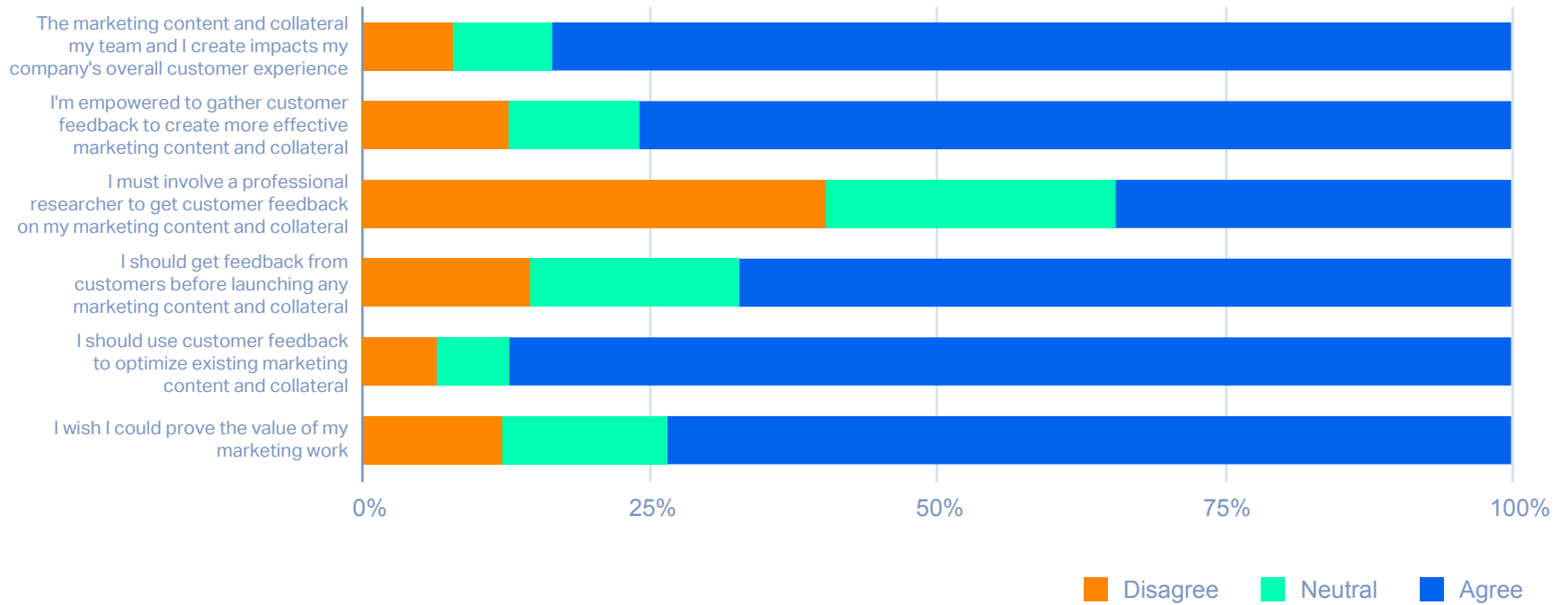
agree they should get customer feedback before launching content



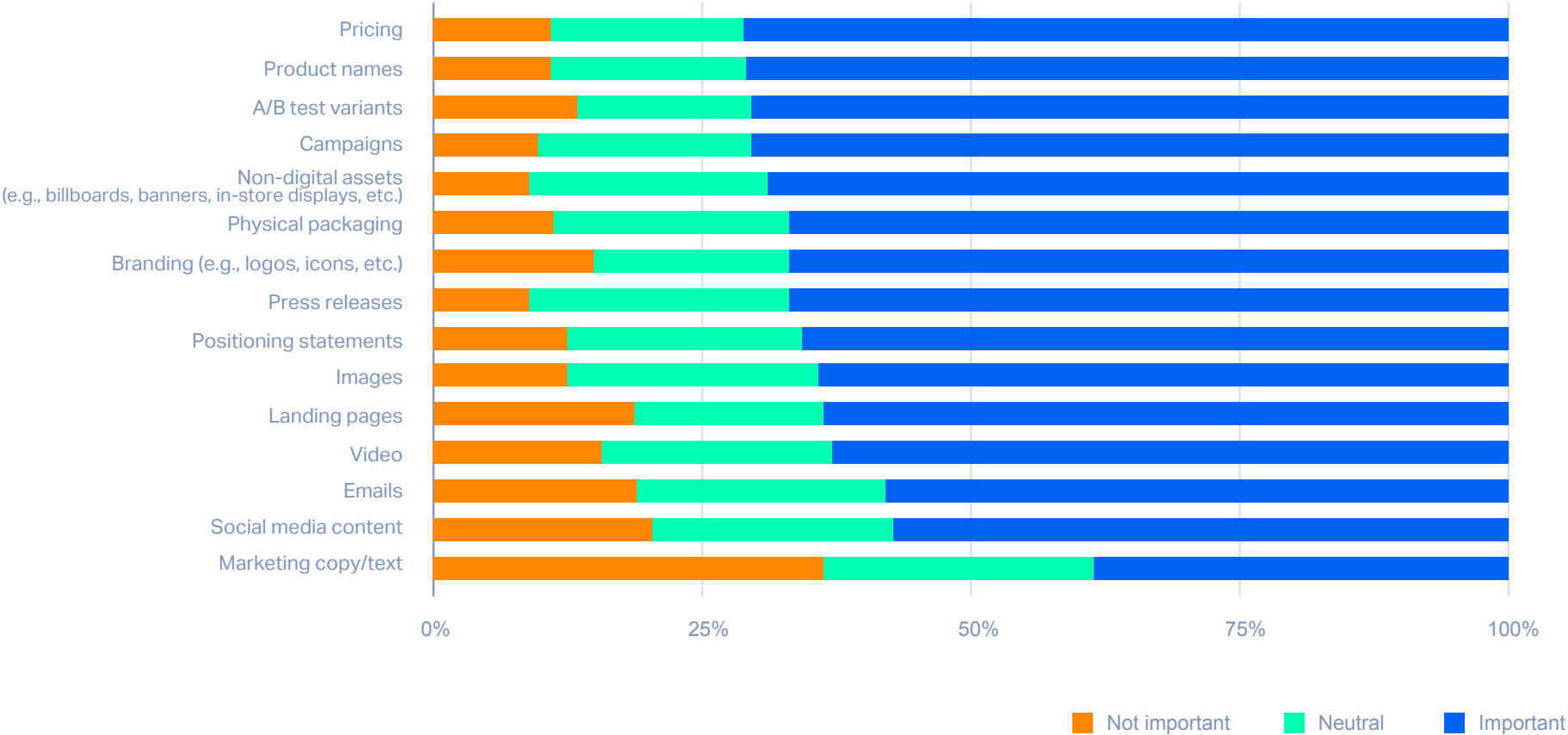
Please choose the phrase(s) that best describes your job role in Marketing



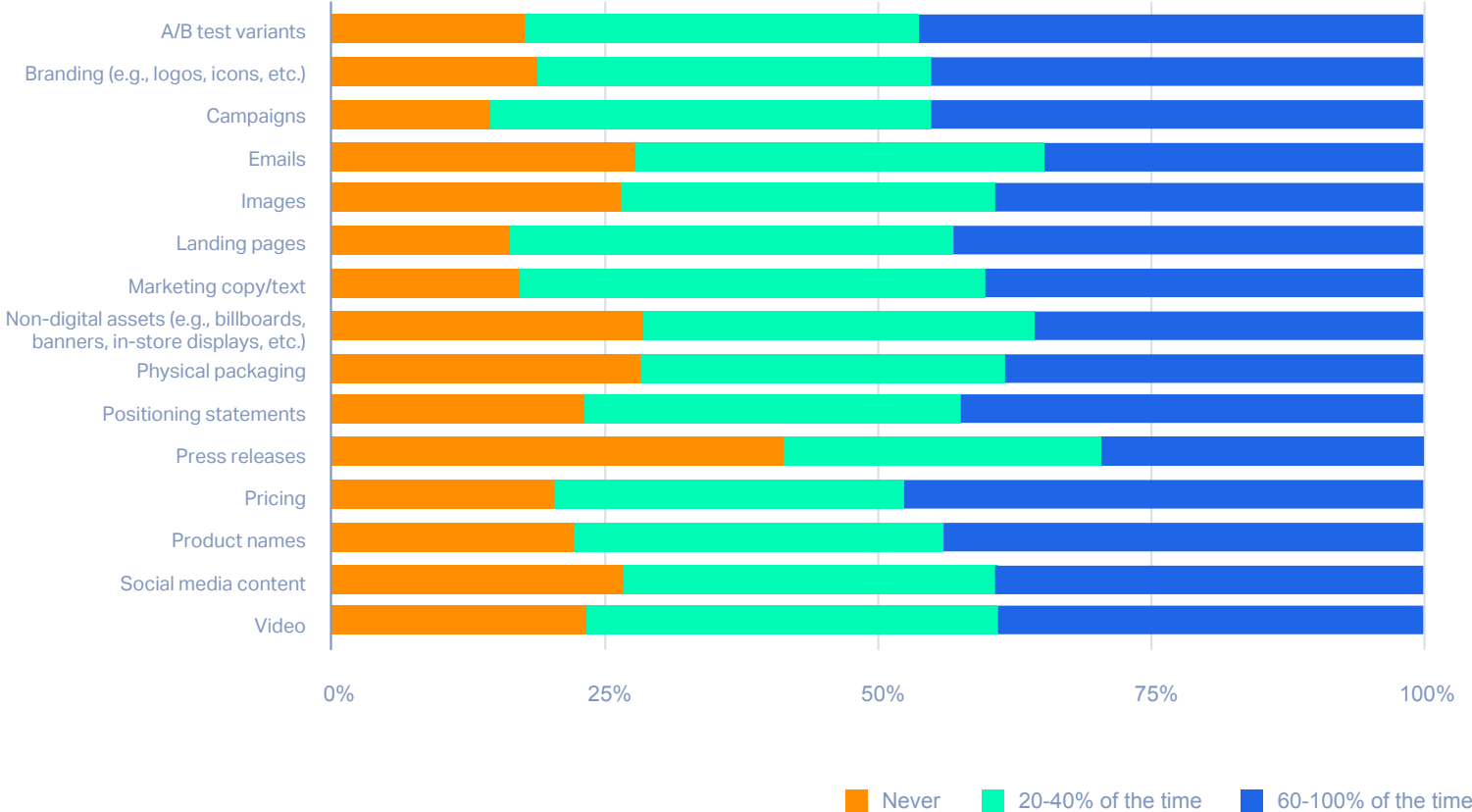
Please indicate how strongly you agree or disagree with the following statements



In your opinion, how important is it to get customer feedback on the following deliverables before they go live?



Roughly how often do you use customer feedback to inform the following marketing deliverables before they go live?



Asked of researchers

As the drive for great CX continues to push forward, it's no surprise that researchers are busier than ever. Only 15% of researchers strongly agreed that they can keep up with the demand for research within their organizations. Despite their contributions to CX, however, researchers are also struggling to stay relevant, with 60% reporting that they wish they could prove the value of their work.

Support for empowering other colleagues to gather their own customer feedback is growing among researchers, with 70% in support of these efforts, however, there's a gap between that support and execution. Only 21% strongly agree that they're actively empowering others to gather feedback on their own, indicating that the desire to scale customer insights is there, but there's still some work to be done to implement strategies and practices across teams.



60%

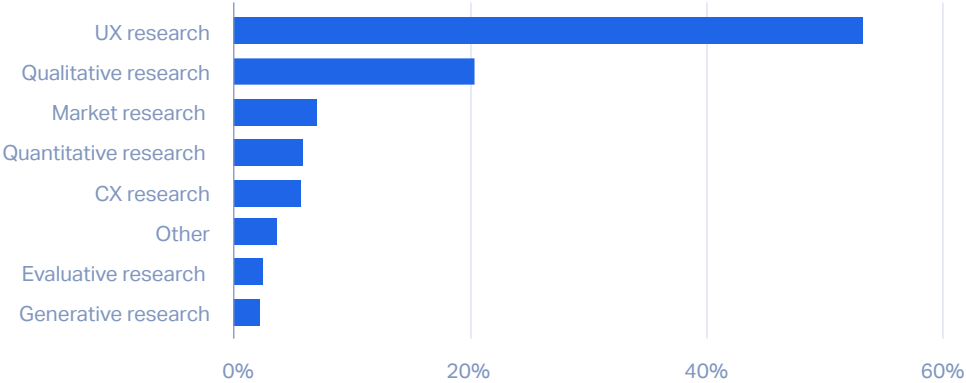
Researchers report they wish they could prove the value of their work



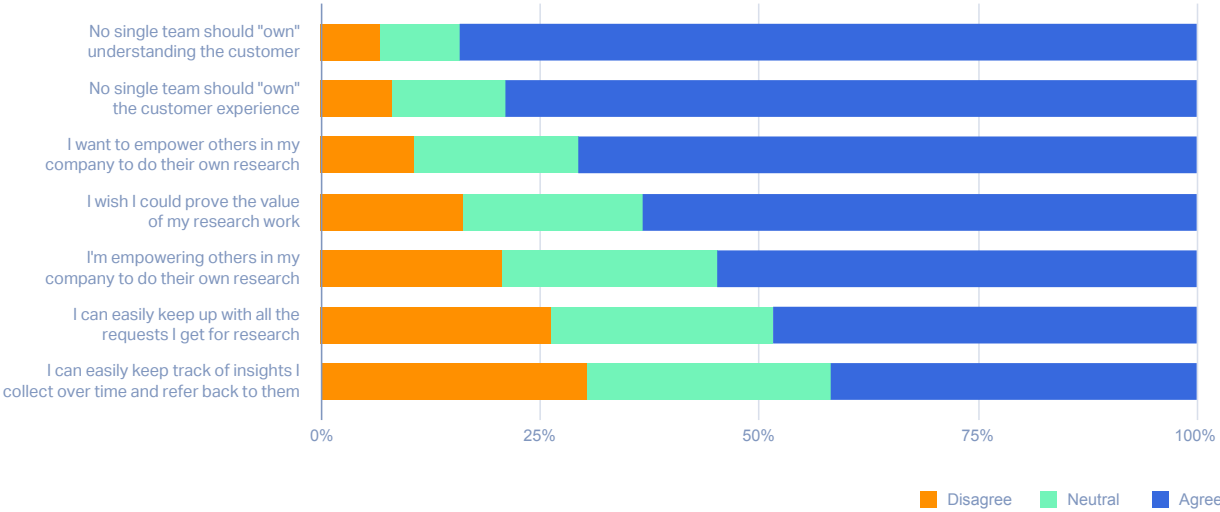
15%

Researchers can keep up with the demand for research

Please choose the phrase(s) that best describe the type of research you primarily do in your work



Please indicate how strongly you agree or disagree with the following statements



Asked of designers

Not surprisingly, the vast majority of designers, 76%, feel it's important to gather customer feedback before launching new designs and 74% even say that they're empowered to do so. Yet when asked what experiences they currently gather customer feedback on, no experiences, save for prototypes, websites, and product usability had more than 50% of designers reporting that they get feedback from customers.

This is surprising, considering that 85% of designers agreed that their design work impacts the overall customer experience. Add to that the fact that 63% report that they wish they could prove the value of their work—something that customer feedback could easily support.

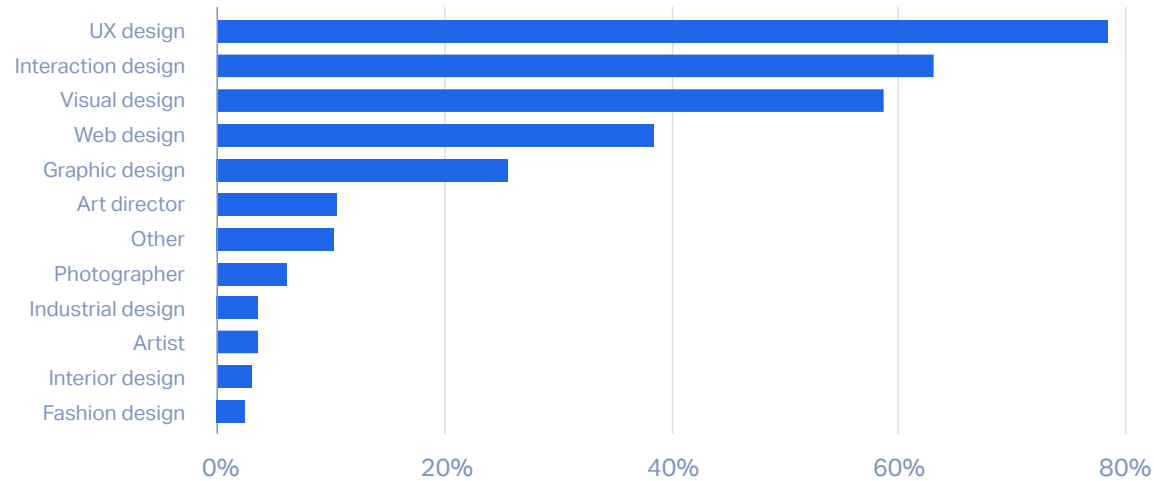


76%
believe it's important to get customer feedback before launching new designs

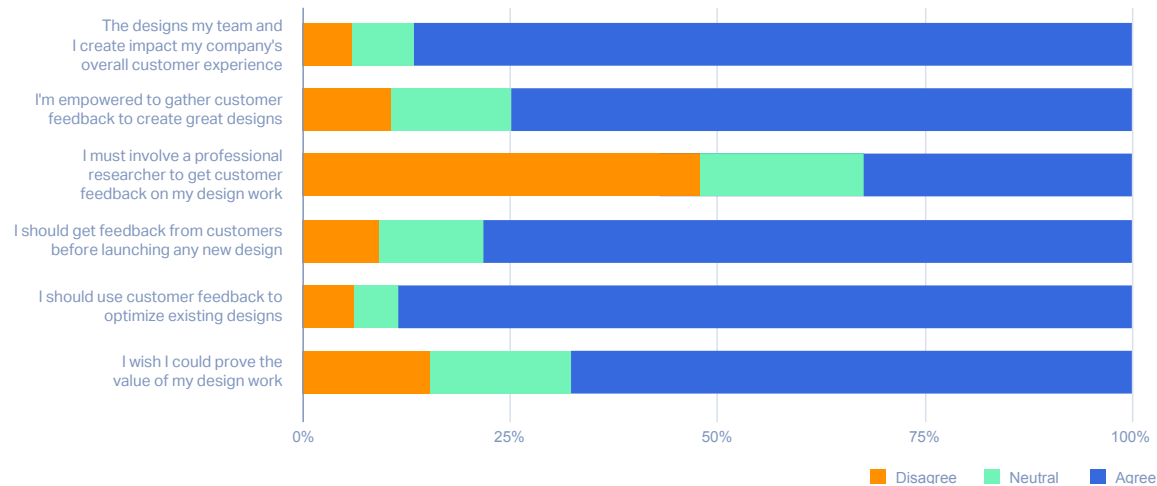


85%
agree that their design work impacts overall CX

Please choose the phrase(s) that best describe the types of design work you do in your role



Please indicate how strongly you agree or disagree with the following statements



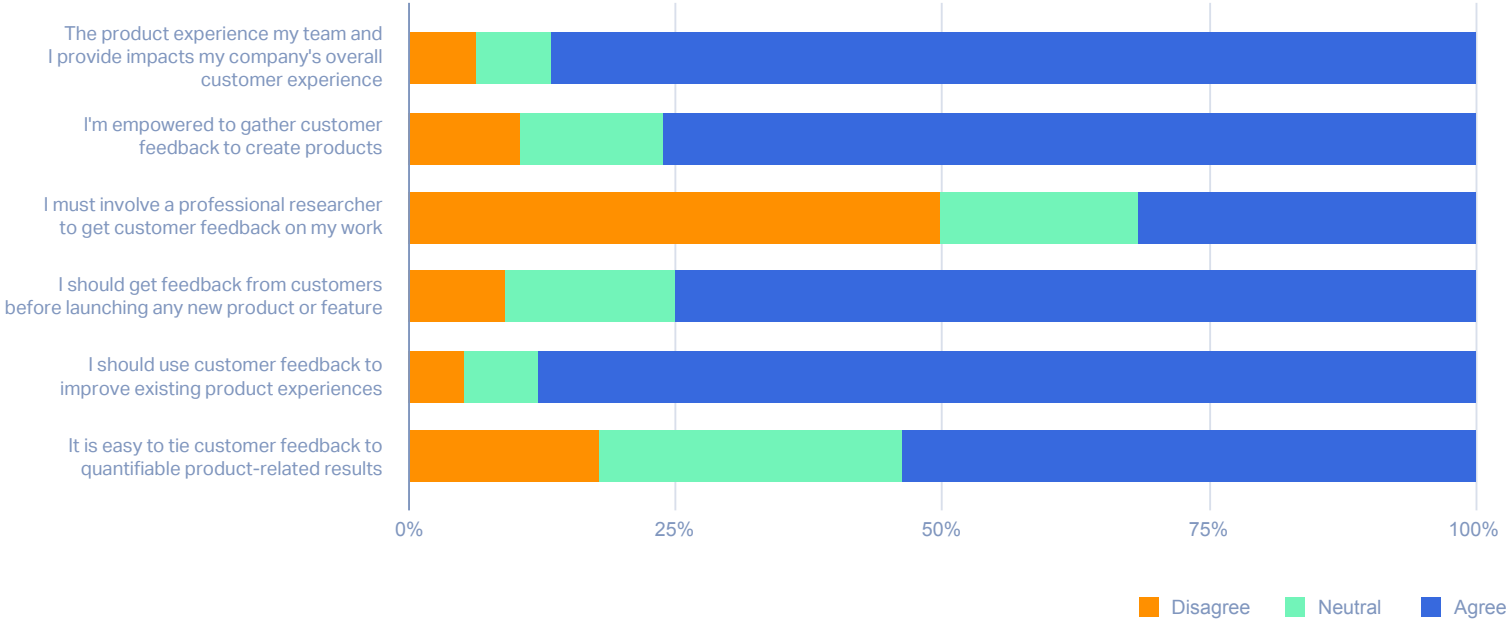
Asked of product teams

Product managers and teams walk a precarious tightrope between meeting customer needs and delivering on business objectives. 72% of product teams reported that they should get customer feedback before launching a new product or feature and 92% agreed customer feedback was necessary when improving existing product experiences.

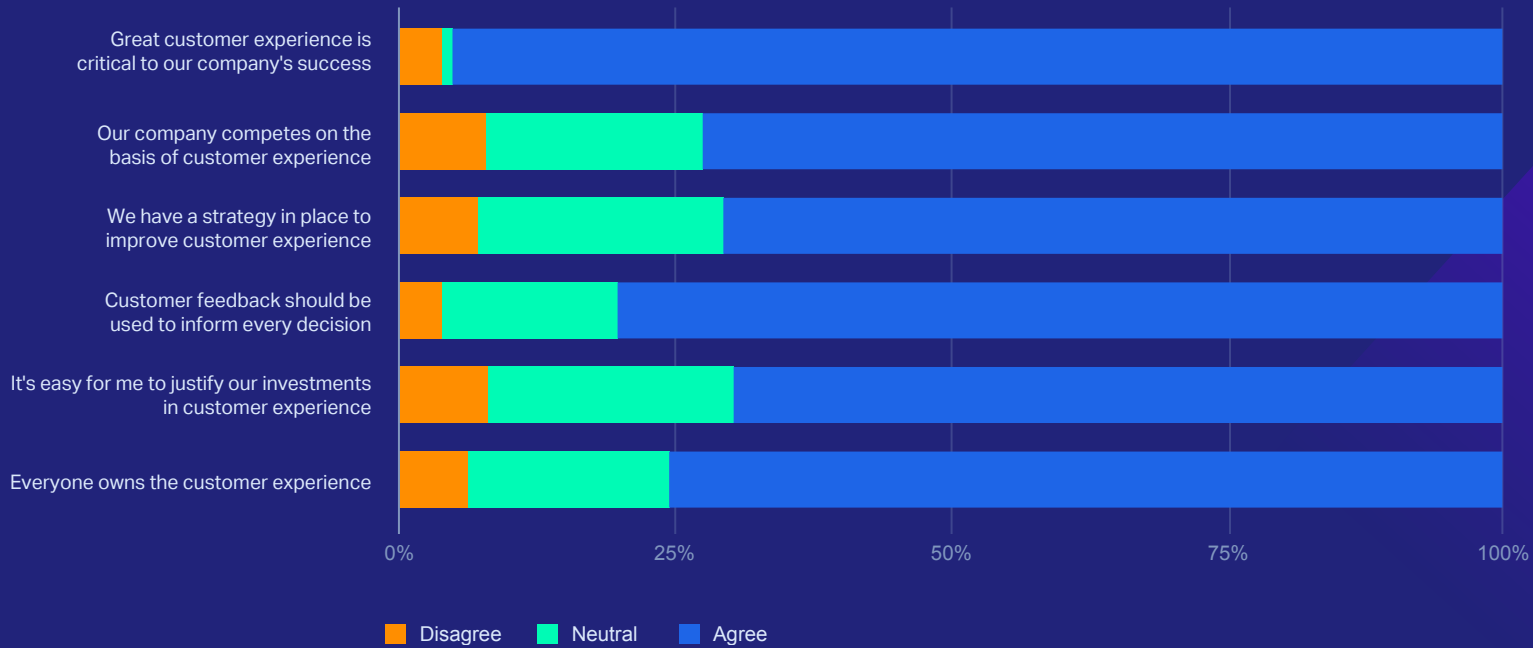
Product teams know that every decision they execute on could make or break the success of a product or experience and they feel the weight of that responsibility. When asked which team is ultimately responsible for the overall CX in their organization, product teams self-identified their teams as the “owner” of CX at a higher rate than any other team—24%. Yet, when cut by company size, it’s interesting to note that the ownership of CX declines somewhat as a company increases in size (excluding large enterprise-sized businesses) indicating that product teams may feel less empowered to own CX in larger organizations—further evidence that CX maturity has a lot of room for improvement.



Please indicate how strongly you agree or disagree with the following statements



Asked of executives



95%

Executives agree
CX is critical to their
company's success





About UserTesting

UserTesting is an on-demand human insight platform that quickly gives companies a first-person understanding of how their target audience behaves throughout any experience and why. To learn more, visit www.usertesting.com



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