



Mapping Out the Customer Journey:

Expectations Versus Reality for the Modern Marketer

The background of the slide is a dark blue-grey color, covered with a repeating pattern of faint, light-grey line-art icons. These icons represent various business and technology concepts, including airplanes, pie charts, databases (cylinders), gears, laptops, wrenches, microchips, and documents with checkmarks or pencils. The icons are scattered across the entire page, creating a textured, technical background.



Executive Summary

Customer experience and artificial intelligence are hot topics for marketers today, who continue to struggle to define how these concepts can be applied in the real world. They want to ensure that their campaigns have a lasting impact on the individuals they're designed to benefit: but are they confident that what they're doing is working? Too often prone to think in "company-out" versus "consumer-in" terms, marketers are channel champions trying to tackle a new world of customer outreach that defies and surpasses channel boundaries.

The goal of these initiatives is twofold – increase engagement and drive greater conversion – both of which spin up to one mission: to build brand loyalty. What does that look like today? How do customer experience and artificial intelligence take shape in practice versus theory? And are consumers *really* ready for chatbots? We'll delve into all this and more.

Because being customer-centric requires that companies listen closely to the needs of the consumer; which is why we've brought together the perspectives of both senior-level marketers and everyday consumers, to explore what resonates most from the latest innovations intended to change the way people interact with brands. Our survey of more than 500 people* gets to the crux of the matter to have a clearer view of what's ahead – and what more can be done to bring the customer journey to life.

What Does It Take to Build Brand Loyalty Today?

It depends on who you ask.

Consumers may say one thing, marketers yet another when it comes to what makes someone brand loyal. But don't take our word for it; we've pooled input from both camps to see where things stand today.

Because one thing's for sure, brand loyalty has evolved over the years; And companies are grappling more than ever with what it takes to make a Millennial stick around while simultaneously trying to retain lifelong customers. It'll take more than marketers' tried-and-true tactics to appeal to different motivations and reach customers – old as much as new – in a digital age where and when it matters.

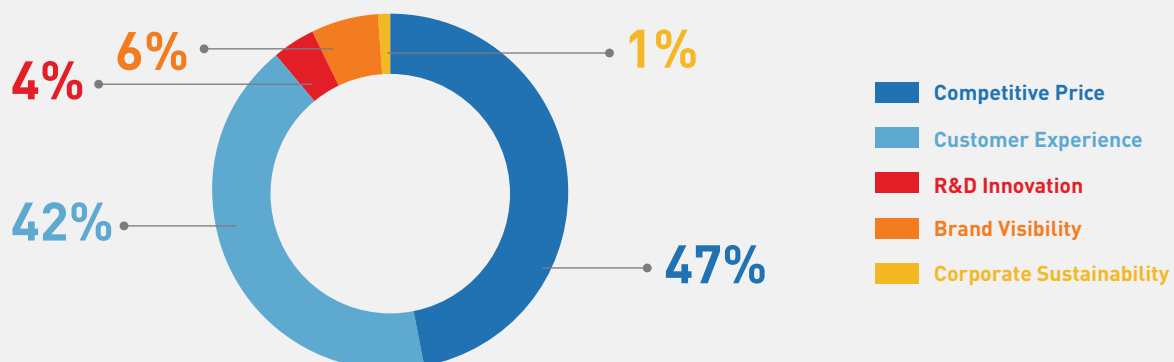
Traditional loyalty programs can only get companies so far; And while nearly **90 percent of survey respondents indicated that their customer loyalty programs are growing**, this isn't the entire picture. Marketers may have a false sense of confidence when it comes to the reality of loyalty programs today:

A **2016 Boxever study** showed that **50 percent of travelers aren't members of an brand loyalty programs**, with just **28 percent believing that being a member of these programs leads to more personalized service**.

Are loyalty programs being tailored to add value to customer experience? If someone does opt in, are they being properly engaged? Are they active? We'll shed light on recommendations that will help companies reimagine what it means to build brand loyalty.

Because price still trumps CX for nearly 50 percent of marketers surveyed when it comes to building brand loyalty, a trend that was reinforced by consumers related to the airline industry, in particular, in our **2015 Boxever survey findings** report. But price isn't the stronghold it once was: In fact, today it only thinly edges out customer experience to snag the top position when asked, "What is the most important thing to focus on to build brand loyalty?" For companies bold enough to shift greater resources to compete on more than price, customer experience has the potential to be a real source of competitive advantage.

What is the most important thing to focus on to build brand loyalty today?



When it comes down to it, what does it take to get CX right?



Changing the Game: Companies Are Only Dipping Their Toes in Digital Transformation

Though not a new concept, the practical ways to create an inviting customer experience are still leaving marketers scratching their heads. Companies must first commit to digital transformation – aligning processes and technology that create relevant customer experiences at scale – to breathe life –and brand loyalty – into their organization. Previously, the uphill battle of tackling digital transformation *was the primary task*; Now, so much more is expected to apply digital transformation techniques for the ultimate goal of improved CX.

In other words, the game has completely changed.

Just last year, industry leaders were calling 2016 the year that companies would begin to tackle integration, making it the “key strategic thrust for most CEOs” to deliver revenue-generating digital experiences. And it’s needed: **According to Forrester, just 27 percent of businesses had a coherent digital strategy in 2015.**

Sure, companies are dabbling in digital transformation in many ways: mastering CRM, investing in data lakes, or optimizing their website for mobile. In fact, more than 50 percent of the marketers we surveyed indicated they’re confident their customers receive *not only enough touchpoints*, but the *right* touchpoints: There are clear wins we should celebrate as companies seek to digitize their business, and marketers are eager to note their contributions to improved business outcomes.

But there’s a different story beneath the surface. **Only half of respondents strongly agree that they can connect the dots between data across channels**; And only just more than half of those surveyed have a single platform for cross channel activation. There are gaps in the process – and technology – that are preventing digital transformation from truly taking hold.

We need to level set: As marketers, we think we’re doing enough – when more could be done.

The reality is, marketers are leading the charge: CDOs and CMOs are gaining oversight – **and accompanying budget** – of technology, innovation and new revenue streams at each juncture of the digital transformation journey. And with high stakes, good enough won't be good enough if just one company sweeps in with a better CX.

IDC expects that the percentage of enterprises creating advanced digital transformation initiatives will more than double by 2020, from 22 percent in 2015 to almost 50 percent. The race is on, then, with digital transformation fueling real competitive advantage: literally the difference between seizing an opportunity with a consumer – at an individual level while also at mass scale – and sitting on the sidelines for someone else to greet them with a valid offer instead.

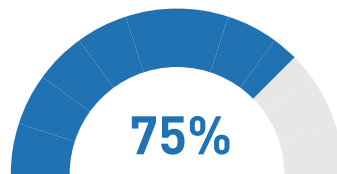
How can we get there sooner? What must change? And, above all, what does the consumer really want?

01 | Rethinking Channels

Say goodbye to channels in 2017 – if you know what's good for you. Customer-centricity relies upon systems that digest information coming in as simply what it is – more individual pieces of the customer data puzzle that, when put together, creates the bigger picture.

Too often, siloes result in different KPIs, different data warehouses, disjointed campaigns, and even entirely different automation platforms.

Whether navigating change management or building out entirely new teams, thinking about data in siloes doesn't pay off:



More than 75 percent see a greater lift in cross-channel campaigns than single channel campaigns.

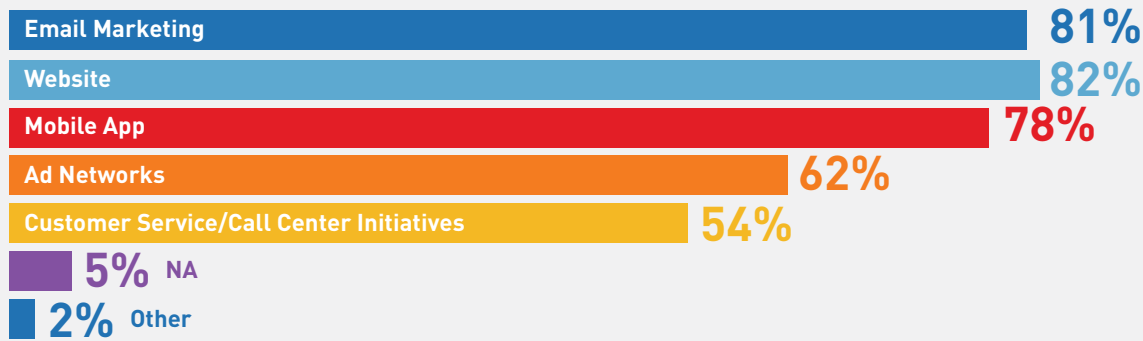
So, what is holding companies back?

There are a number of reasons why companies may be reluctant to more closely re-evaluate their channel strategy: Not least of which is the very fact that **nearly 75 percent of marketers think their cross-channel engagement activation strategy is very effective.**

But not every channel is created equal; nor are they all on par when it comes to automation and optimization. According to our survey, websites and email marketing platforms are most frequently leveraging marketing automation for personalization, followed closely by mobile apps. Ad networks and call centers, however, have farther to go before widespread personalization is used to connect with customers in novel ways.

When all channels are developing personalization techniques, more data is collected to support cross-channel insights – and that means smarter interactions regardless of channel.

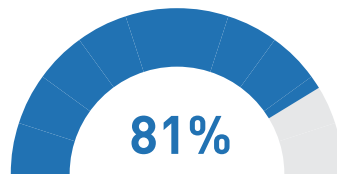
Do you currently use automated personalization techniques for the following channels?



Bridging the Distance Between Physical and Digital Worlds

It's important that marketers show return on their existing investments, including disparate marketing automation platforms. And with entire departments leading their own digital initiatives, making the leap to erase channels can seem daunting – even crazy.

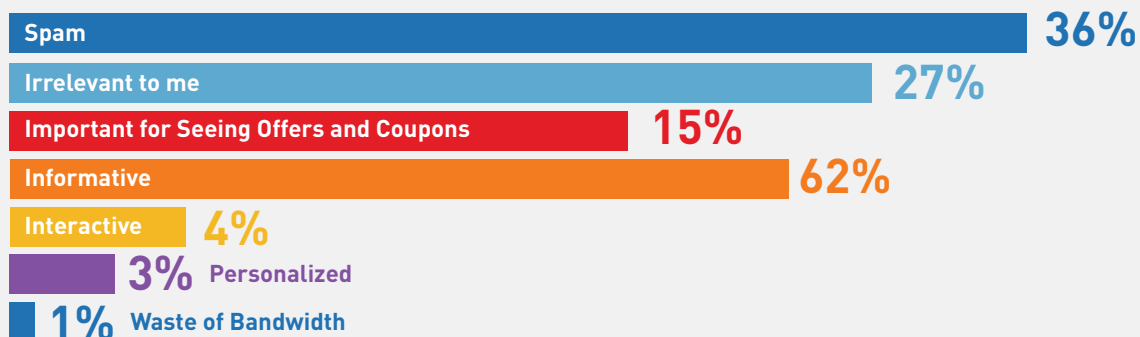
But it doesn't need to be.



81 percent of marketers surveyed use personalization for email marketing;
Yet, only 3 percent of consumers describe emails as personalized when asked.

A lot of effort goes into making improvements on customer experience at the channel level, and these efforts could be multiplied if applied across channels. In order to change consumer perceptions about different touchpoints, companies need to think holistically about how their content flows across interactions, so that customer decisions aren't influenced in a vacuum of activities within a narrow channel viewpoint.

Company emails are _____



Results for all respondents. Weighted data unavailable for this view. (429 responses) Winner statistically significant.

Knowing that 40 percent of people previously surveyed are less likely to buy from companies that target them with irrelevant messages, SPAM is still an issue for email marketers to overcome. SPAM is an issue bigger than email; if we're rethinking channels, irrelevant content spills over into everything. Content can be improved and made to be more relevant when systems get smarter and when channels communicate with one another.

For example, details from in-person interactions – **ranked by more than 50 percent of respondents as their favorite brand experiences** – can and should influence emails; they should also provide needed context to improve customer experiences with call centers (which more than 30 percent recall as their least favorite brand experiences). Sharing data between traditional channels means that no one experience is favored over another, creating a seamless journey.

**Companies can bring together data so that they can go beyond channels.
To do that, their systems need to get smarter – with AI.**

02 | Operationalizing AI: The Mechanics Behind the Hype

AI is the missing link between what marketers think consumers want and what consumers know they like. After all, 88 percent of marketers agree that AI helps personalize customer interactions. In the end, what matters most is how AI is deployed across the enterprise. And that boils down to thinking about every nook and cranny where AI can be applied, so that businesses – and marketers – have more intelligence to work with.

Defining AI

AI has an elusive definition, as it evolves to encapsulate new and existing innovations. What does artificial intelligence mean to consumers and to marketers today? To better understand the common ground between consumers and the marketers who wish to appeal to them, we investigated this.

Consumers and marketers agree that AI can be defined as “robots that emulate human emotions or behaviors” – but surprisingly, fewer marketers agree on what else falls under the AI umbrella: Only 59 percent of marketers define predictive intelligence as AI; and less than a majority (42%) consider marketing automation powered by machine learning as artificial intelligence.

Marketers see the potential: **88 percent agree or strongly agree that AI helps personalize customer interactions, and more marketers strongly agree that AI improves human interactions with customers rather than alienating customers by replacing human interactions (a common misconception for chatbots).**

As marketers, we're still missing the big opportunity.

If the coming years will define your organization's commitment to digital transformation, AI innovation needs to be executed in every scenario possible. Algorithms will make everything run more effectively – from creative to business reports to customer service to inventory management. But AI should penetrate the enterprise with tactics much deeper than chatbots – even if less sexy on the surface. By working out the kinks now in instances



and use cases both large and small, you'll have a better foundation that runs pace with other innovations in mobile and voice as well as virtual assistants – and even robots – in the works for the future.

We're at a pivotal time for AI, where perceptions are still malleable. The next year will be a formative one in changing consumers' – and in some cases, marketers' – opinions of chatbots, in particular, by elevating the ways that technology can improve CX in practice.

Because AI is so much more than chatbots.

It's tempting for consumers and marketers to think that AI = chatbots. And right now, chatbots are an easy way to conceptualize artificial intelligence. But **artificial intelligence is so much more than chatbot functionality: it's the behind-the-scenes ammunition that powers successful marketing automation.** Personalized, finely-segmented, 1:1 offers, actions, recommendations and predictions help refine decision-making based on real outcomes. AI's value to marketers – and customers – relies upon constant data point analysis in an interconnected system to make every session smarter. Chatbots may be an outward execution of AI, and this may be the first interaction that a customer recognizes as artificial intelligence, but marketers are tasked with first laying the foundation to set chatbots up for success by thinking more broadly about what's possible. A lot goes into this process.

To bring AI to life, the right talent is needed.

Data scientists don't come easily, nor do they come cheap. And, to perform well, they should also come in teams. And since only 28 percent of marketers polled strongly agree that they have adequate data scientists on staff now – and more than two thirds strongly agree that demand for data scientists will exceed supply in the future – alternative routes must be taken to fill the void for talent to manage AI. You might work with consulting firms or outsource positions, but consider the real value in automation: scaling capabilities by building out entire systems on logic that only gets smarter with use.

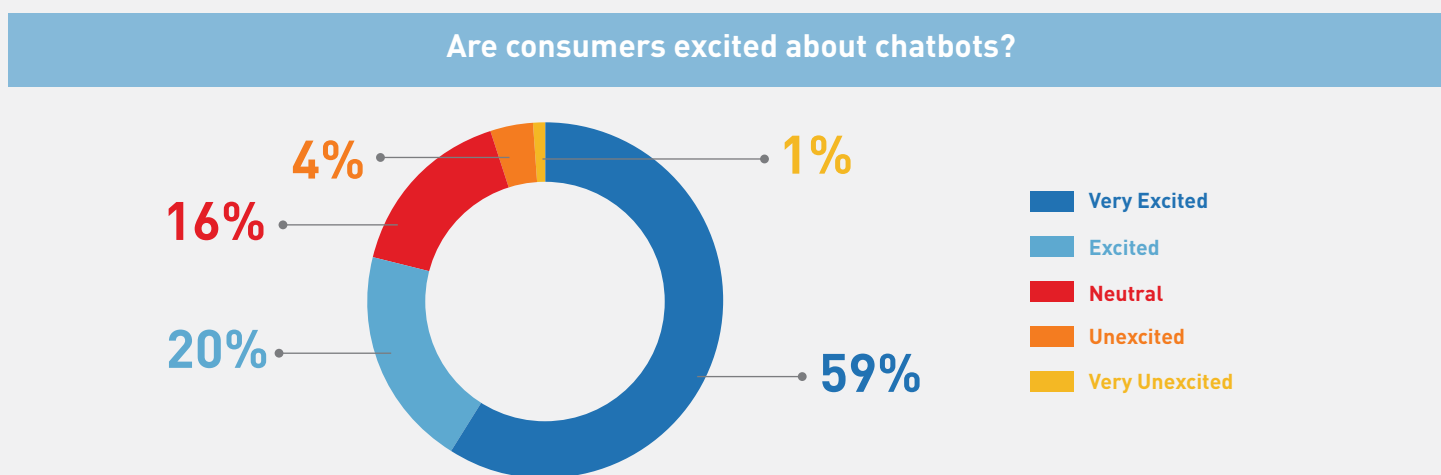
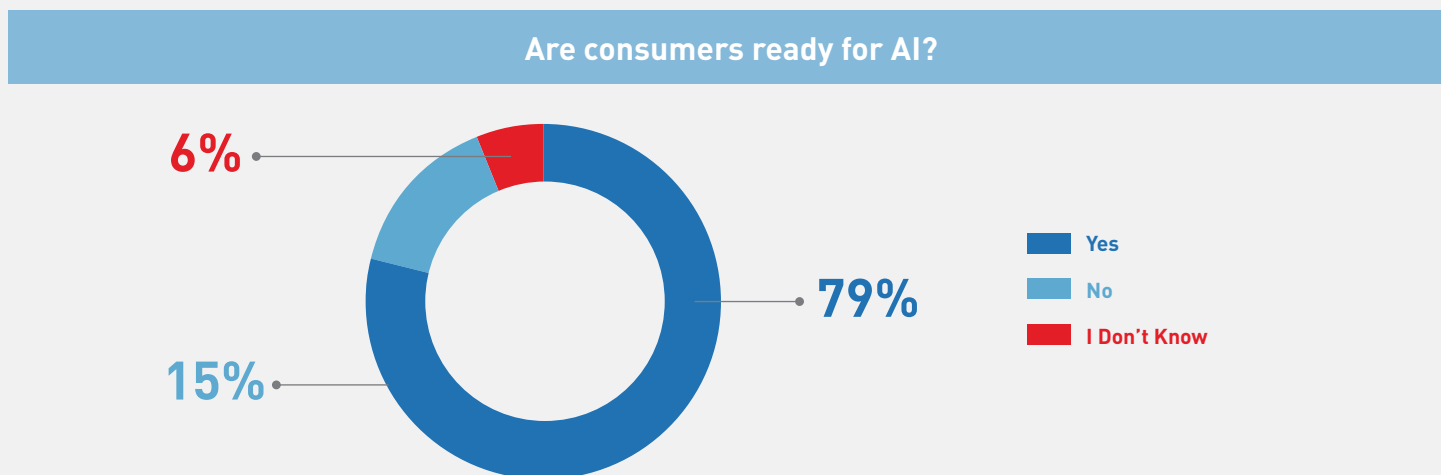
03 | Understanding the Future of AI: Expectations versus Reality

Whether discussing AI more broadly or taking a closer look at chatbots, it's important for marketers to

understand consumer perceptions. By opening up the conversation to consumers and marketers, we can more clearly see the work that must be done to deliver a positive CX by using an emerging technique as another opportunity for meaningful interactions to take shape.

Where Things Stand Now: Marketer and Consumer Perspectives

79 percent of marketers think that consumers are ready for AI; And the same percentage think consumers are either excited or very excited for chatbots.



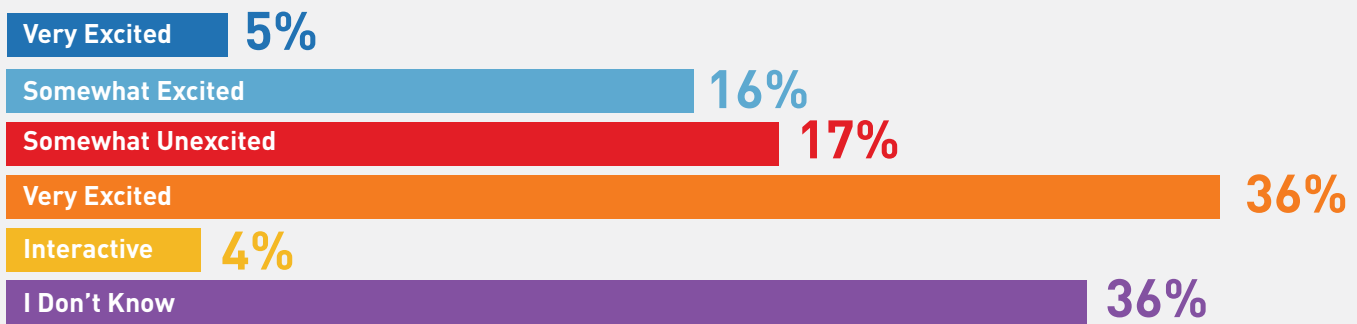
But in reality, consumers are much more ambivalent about chatbots, in particular:

Top responses to the question “**What is your opinion about chatbots?**” were overwhelmingly negative. Aside from those who hadn’t interacted with a chatbot, the majority of respondents had these sentiments:

- So far, I’m not impressed (19.7%)
- Take me back to simpler days; I hate them (17.4%)
- I think they’re impersonal but useful (16.4%)

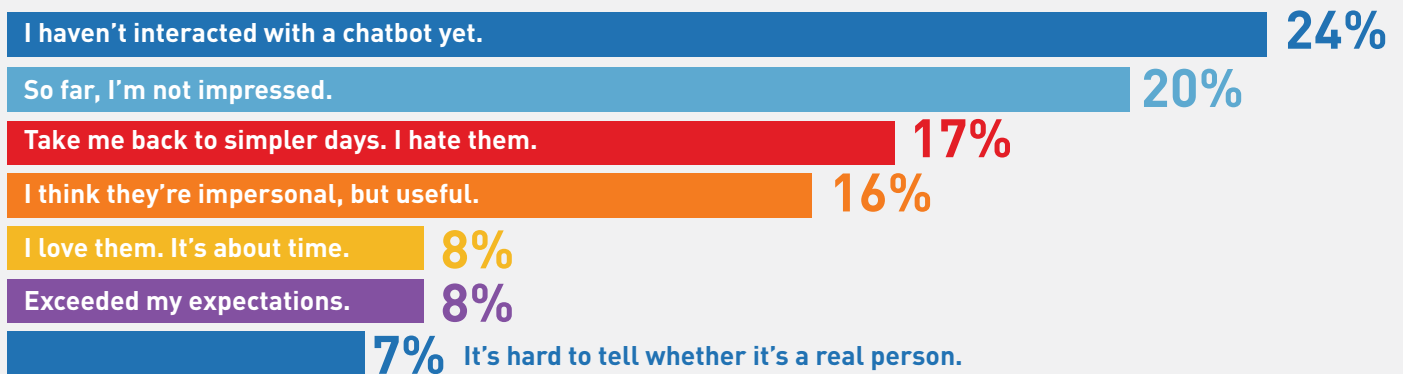
Nearly **50 percent** surveyed are very unexcited or somewhat unexcited about chatbots; but, more importantly, **more than 30 percent** still don’t know.

Are you excited about using chatbots?



Results for all respondents with demographics. Weighted by age, gender. (440 responses) Confidence to close to call.

What is your opinion of chatbots? (automated customer service agents online such as Siri, Alexa and others)



Results for all respondents with demographics. Weighted by age, gender. (467 responses) Confidence to close to call.

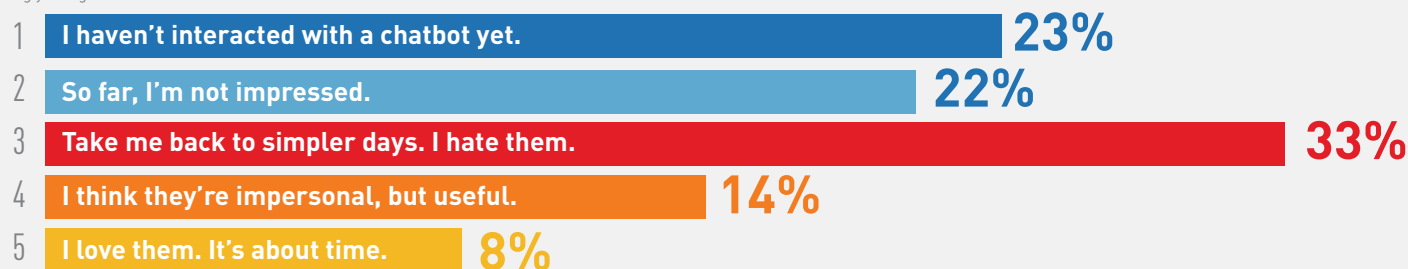
If it's more important than ever for marketers to get inside their customer's head, what's creating the disconnect?

There appears to be a resigned utility to chatbots for many, as consumers seek to define them and are only just beginning to learn more about them. Since nearly **60 percent of respondents haven't used a chatbot or don't know if they have**, companies are in a unique position to directly influence how consumers perceive chatbots and incorporate them into their daily lives.

The time is now to change perceptions of chatbots by bringing smarter ones to market: Nearly **45 percent of consumers polled disagree or strongly disagree that AI (more broadly) will improve their experiences with brands in the future**; but the prevailing response right now is neutral (33 percent). If companies can get AI right in the next year, this opinion has the potential to dramatically shift.

Artificial Intelligence will Improve My Experience with Brands in the Future

Strongly Disagree



Strongly Agree

Results for all respondents with demographics. Weighted by age, gender. (400 responses). Winner statistically significant.

Why is it important to shift the perception of chatbots?

Chatbots are the first true step forward for AI in marketing – the public face of internal systems of machine learning and advanced data science. Chatbots pull their intelligence directly from the 'system of record' that marketers are building today in order to know their customer intimately. Customers are beginning to realize that their experience with a brand is directly related to how smart their interactions are at any moment. The inner workings of a disconnected organization are exposed to a customer through its personalization attempts – or in this case, through a conversation with a chatbot. Constant improvement in the experience is essential to change the perception of chatbots and AI in general. After all, why bother to have AI unless it improves the experience? This means processing the complexities of an organization's internal data to present simple and appropriate interactions externally to the customer.

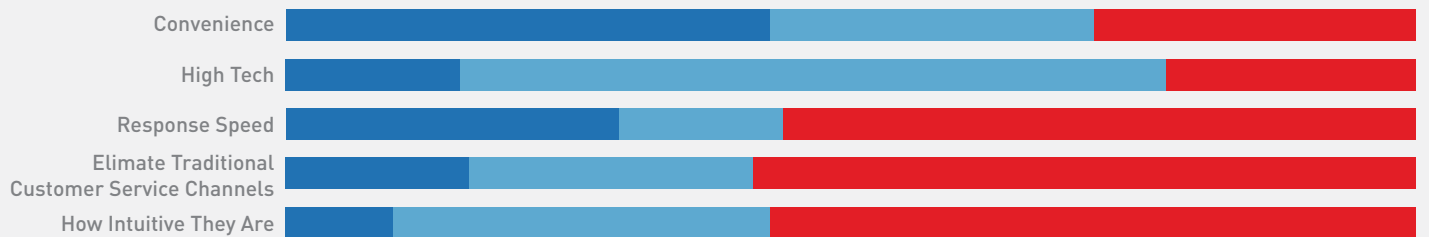
Not only does this require the right data analysis, it also requires a central hub where the data resides for AI to be put into practice and to change perceptions in the process. Better interactions are possible, whether via a chatbot or a personalized offer. All roads lead to improved CX.

Visionary marketers have ambitious goals for what chatbots, in particular, can do to serve customers: they see the ways that AI can add value now through chatbot adoption, even if consumers are still on the fence. What do marketers think consumers value most about chatbots?

The top ranked attribute (#1 position) was convenience (54%), followed by speed of response (33%). Interestingly, marketers thought the ability of chatbots to eliminate traditional customer service channels was of nearly equal value as their "high tech" nature; despite the fact that people may have reservations about chatbots replacing human interaction, this can improve CX if alleviating frustrating delays or other points of friction experienced through traditional customer service interactions. Only **12 percent of respondents thought consumers received the most value from how intuitive chatbots** are; a point that savvy companies can use to differentiate their product on how well they read contextual cues in the future.



What are the top three things consumers value most about chatbots?

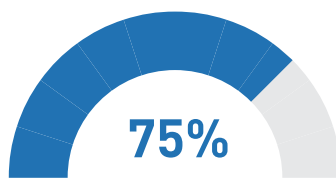


Since the jury is still out on chatbots' intended use and overall experience for the consumer, the time is now to make a positive first or repeat impression and as a way to make your brand stand out. With chatbots at the frontier of AI for marketers, they're paving the way for innovation through customer-centric data use. It's important to be cautiously optimistic, knowing the tangible benefits chatbots can have, and it will be up to companies to make the right calls to bring them in as a natural extension of their service channels, adding value and powered by the right technology so that they stand up to consumer standards. Though chatbots are just one use case of what's possible with AI, they're a very visible example of innovation in the eyes of the consumer, so they'll be an essential aspect of AI to get right. Other, perhaps less visible, applications of AI will follow, with the most successful brands presenting seamless and personalized customer journeys that orient themselves around the customer. **In one, two or five years from now, will you be able to use artificial intelligence as part of your legacy to move the needle on CX?**



Reimagining the Role of Marketing Automation

95 percent of marketers surveyed trust marketing automation to do its job;
89 percent agree that technology enhances marketing as we know it.



75 percent also feel that technology is a hassle to marketing processes today.

Marketers must see the opportunity to think past automated systems as they know them now: relying on reaction-response rules that limit real-time, contextually driven interactions. With an expanded definition of AI – to include the innovation possible by better defining offer segmentation and personalized recommendations – more can be done. Inbound and outbound channels will execute better actions down to each individual session – while at the same time maintaining a greater view of the entire customer journey and every subsequent engagement. One better interaction leads to an improved series of actions, providing new opportunities for an isolated experience on one channel to improve an experience on another.

Consider scale and context.

Tactics that worked before won't work as mobile and voice continue to become more common, and as new social platforms continue to add data to the mix. When dealing with billions of events passing in real time across millions of individual profiles, instant identification is tough work. Systems require vast processing power and

memory to keep up, making real-time adaption no easy feat. For AI to be successful, a central hub is needed to make marketing automation more powerful. Marketers need to realize the important role that technology integration plays in defining AI: artificial intelligence that's bigger than bots, goes beyond channels, and is driven by the viewpoint of the customer that factors it all in, so that data points come to life in a holistic view of every person in your database as rich as the individual they are.

If AI can be successfully integrated across channels, marketers will have more support for their decisions and more effective campaigns, overall. In turn, consumers will notice more tangible results for the marketer's continual pursuit of personalization. It's a major win/win, if properly executed. Outcomes on efforts taken now will shake out in the next year, and the question posed to marketers is this:

Are you ready for AI to take hold?
A better customer experience awaits.