

Leverage AI To Drive Measurable Improvements And Move Your Customer Experience To The Top

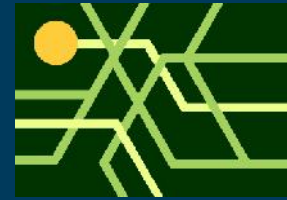
Amid a flurry of new communication channels and touchpoints, customer engagement has become more complicated than ever. Time is running out for companies that cannot meet the demands of the age of the customer. A year-over-year comparison of customer engagement maturity across four pillars — Process, Organization, Strategy, and Technology — illustrates an increasing divide between companies that excel at delivering exceptional customer experience (Experts) and those lagging behind (Experimenters). It also shows that new technologies like artificial intelligence (AI) are separating future leaders from soon-to-be fossils. AI presents an opportunity for more mature companies but an obstacle for the less mature. The stakes of customer engagement are high; those that succeed reap the benefits of higher revenues and more satisfied customers while those that don't are in danger of being left behind.

KEY FINDINGS

A year-over-year comparison of customer engagement maturity based on Forrester's customer engagement maturity (CEM) model yielded the following key findings:

- › **The maturity gap is widening.** A comparison of the 2017 and 2018 CEM assessments showed growing disparities between the top and bottom maturity segments. In 2017, Expert and Experimenter Strategy scores differed by 18 percentage points. By 2018, the gap between top and bottom maturity groups widened to 51%, resulting in a staggering 33-percentage-point difference.
- › **AI is critical to accelerating maturity.** Automation and AI are springboards for improved customer engagement. Companies that leverage these technologies vault forward in better serving their customers. Companies that are late to adopt are falling irreparably behind.

Increasing maturity has measurable benefits. Each maturity group stands to benefit from up-leveling its customer engagement maturity. The higher the level of maturity, the greater the reported benefits across Net Promoter Score (NPS) scores, conversion rates, revenue, and average order size (AOS).¹



Summary of results from the Bold360-commissioned Thought Leadership Study, "Build Competitive Advantage Through Customer Engagement And AI"

METHODOLOGY

In this study, Forrester conducted an online survey in the US, the UK, France, Germany, India, Australia, and New Zealand to evaluate organizations' current customer engagement maturity, the challenges and benefits as a result of their maturity level, and tactics to improve customer engagement.

Forrester surveyed 479 business and IT decision makers involved in their organizations' customer engagement strategies and vendor selection.

[Click here to read the full results of the study.](#)

Mind The Widening Maturity Gap

A year-over-year analysis of customer engagement maturity scores reveals a growing rift across the four maturity groups. The differences between the highest maturity group scores (Experts) and lowest maturity group scores (Experimenters) in both Process and Organization metrics widened by at least 10 percentage points. Strategy scores underwent the most pronounced change, with a 33-percentage-point difference in maturity score (see Figure 1). These growing maturity gaps are significant: They show that lower-maturity businesses struggle to up-level their engagement practices and are falling further behind.

AI Is Critical To Accelerating Maturity

Whether organizations are ready, artificial intelligence has started to impact every facet of work. The introduction of AI-related questions to our CEM model had a dampening effect on maturity scores, with lower-maturity groups bearing the brunt of it: Experimenters dropped 10% in Process maturity, 14% in Organization maturity, and 22% in Strategy maturity (see Figure 2). Experts, on the other hand, experienced an 11% rise in Strategy maturity, while other scores remained stable. These results show that the more mature a company is, the more resilient it is in the face of new technologies.

Companies that view AI as an opportunity and invest in a strong foundation are at a significant advantage to those that consider AI as an obstacle to overcome. This was made evident in our model as higher-maturity groups recognized the potential benefits of automation and AI applications. For example, 74% of Experts utilize AI to increase customer satisfaction compared to 29% of Experimenters. Likewise, 73% of Experts utilize AI to increase revenue/conversion compared to 39% of Experimenters.

Figure 1
Gaps In Maturity Between Experimenters And Experts Widen



Base: 479 global decision makers involved in customer engagement strategy and vendor selection
Source: A commissioned study conducted by Forrester Consulting on behalf of LogMeIn, December 2018

Figure 2: Average Scores By Maturity (Significant YoY changes in parenthesis)

	Experimenters (Level 1)	Evolutionists (Level 2)	Enthusiasts (Level 3)	Experts (Level 4)
Process	44% (-10) ↓	54% (-10) ↓	64% (-6) ↓	83%
Organization	41% (-14) ↓	64%	72%	83%
Strategy	32% (-22) ↓	61%	72% (+6) ↑	83% (+11) ↑
Technology	43%	62%	72%	88%
AI	25%	52%	63%	78%

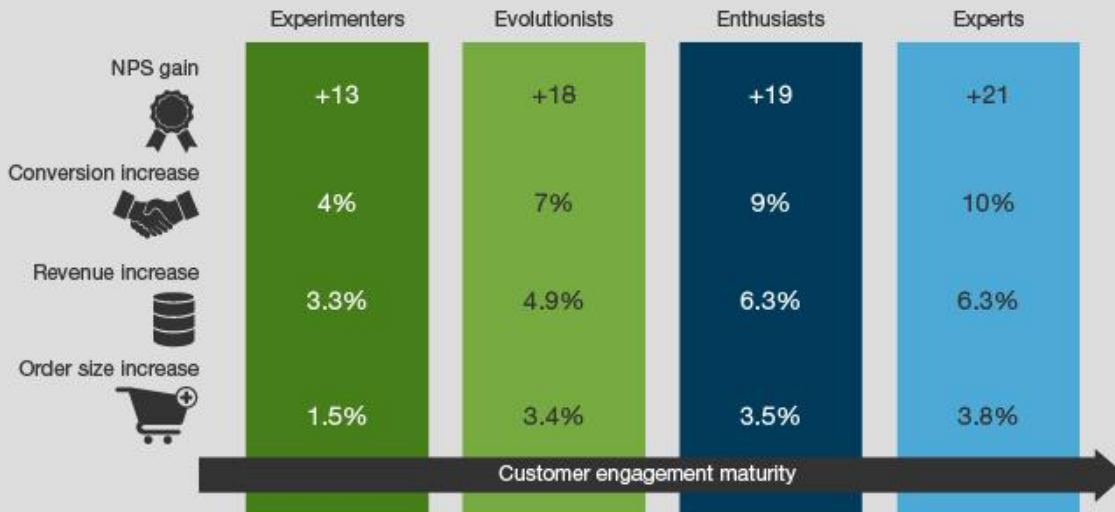
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Increasing Maturity Has Measurable Benefits

Improving customer engagement drives key business results and helps organizations meet top-line and bottom-line goals. Our study tracked four critical success metrics — customer satisfaction/NPS, sales conversion rates, revenue, and average order size — to examine the relationship between maturity level and business outcomes. We found that increasing in customer maturity results in marked growth in all four metrics (see Figure 3). Across the board, improving customer engagement maturity increased not only how often an organization realized a benefit, but also how much of a benefit it realized. More importantly, these benefits are incremental — they increase with an organization’s engagement maturity. This means that no matter where an organization is on the maturity scale, there is a quantifiable business benefit to increasing its maturity.

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Figure 3: Increasing Customer Engagement Maturity Drives Customer Satisfaction And Revenue Increases



Base: 479 global decision makers involved in customer engagement strategy and vendor selection
 Source: A commissioned study conducted by Forrester Consulting on behalf of LogMeIn, December 2018

To read the full results of this study, please refer to the Thought Leadership Paper commissioned by Bold360 titled, “Build Competitive Advantage Through Customer Engagement And AI.”

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Appendix A: Endnotes

¹ Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.