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A Siemens Business

Win w/ Customer Experiences

CX DELIVERY CHALLENGES

JANUARY 19, 2022

WIN WITH CUSTOMER EXPERIENCES

RESEARCH SURVEY | US + EUROPE

Executive Summary

Organizations that invest in improving the customer experience (CX) see a return on that investment in the form of improved customer retention, enhanced brand reception, and a sharper competitive edge. However, as tantalizing as the upside to successful CX is – it's hard to make it happen.

Engaging CX is a moving target. As soon as the newest, hottest, easiest thing hits the market, the bar for what good CX looks like gets a sharp adjustment. Despite the investment many organizations are making into improving their CX, customers still aren't getting what they want. Organizations are stuck in a seemingly unwinnable race – it's difficult to keep delivering new and timely ways for their users to interact with their business when expectations evolve constantly.

How organizations view CX – how to make it happen, what makes it work, and why it's worth it – was the core topic of a recent survey Mendix commissioned through Reputation Leaders. Survey respondents consisted of 522 senior IT professionals (226 enterprise architects, 97 digital transformation leaders, and 199 IT decision-makers) across Europe and the United States.

Executive Summary (CONTINUED)

There's a disparity between understanding what customers want and delivering on those needs. Nearly one-third of customers are annoyed by the long wait and response times and are dissatisfied with unresolved issues. A quarter of customers are frustrated by siloed, departmental experiences. The result is that organizations' top priorities are to improve on communicating with customers (63%) and helping make digital choices easier (50%).

These priorities are why technologies like online customer portals, chatbots, native mobile applications, IoT-connected devices, and easier-to-use UIs are so important to customers and businesses alike.

The challenges that come with improving and delivering new ways to engage lie in software development methods and prioritization. Legacy maintenance is a large reason why it's difficult for organizations to innovate. In fact, only 14% of respondents spend a majority of their budget on innovation. It's hard to focus on the new when the old is in constant and dire need of updates and maintenance.

However, innovation is not without risk. As the customer demand for new technologies and smoother, interconnected interactions increases, so too does an organization's need for the skills and resources necessary to support innovative CX. 63% note that adding more digital touchpoints means more difficulty in maintaining and managing systems. 64% of organizations agreed that additional programming languages and frameworks are a higher security risk.

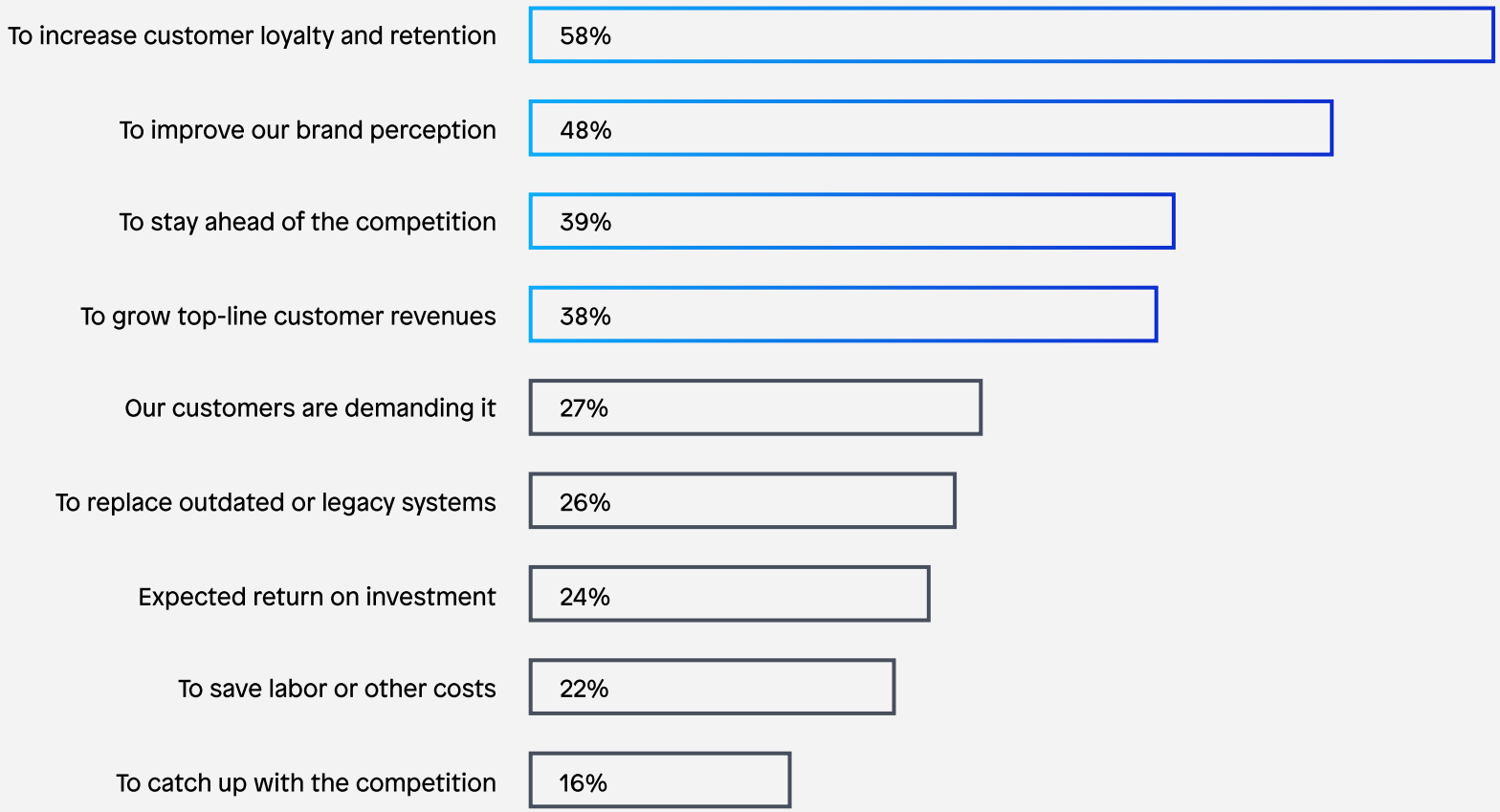
Even when CX and innovation are prioritized, developing and deploying applications is an issue. Organizations cite requirement miscommunication (37%) and integrations proliferation (31%) as the main reasons for not delivering apps quickly and iteratively to customers.

Organizations are looking toward different development solutions like low-code to reduce maintenance resources and increase time-to-value. 85% of organizations are turning to low-code for better and faster app design. 78%—in an effort to better understand the customer—are relying on low-code technologies to help implement faster feedback loops.

An engaging customer experience is a hard target, but it's a vital one to aim for. Read on for the full results on how companies are planning to win with customer experience.

Increasing customer loyalty and retention is the top reason for providing better customer experiences

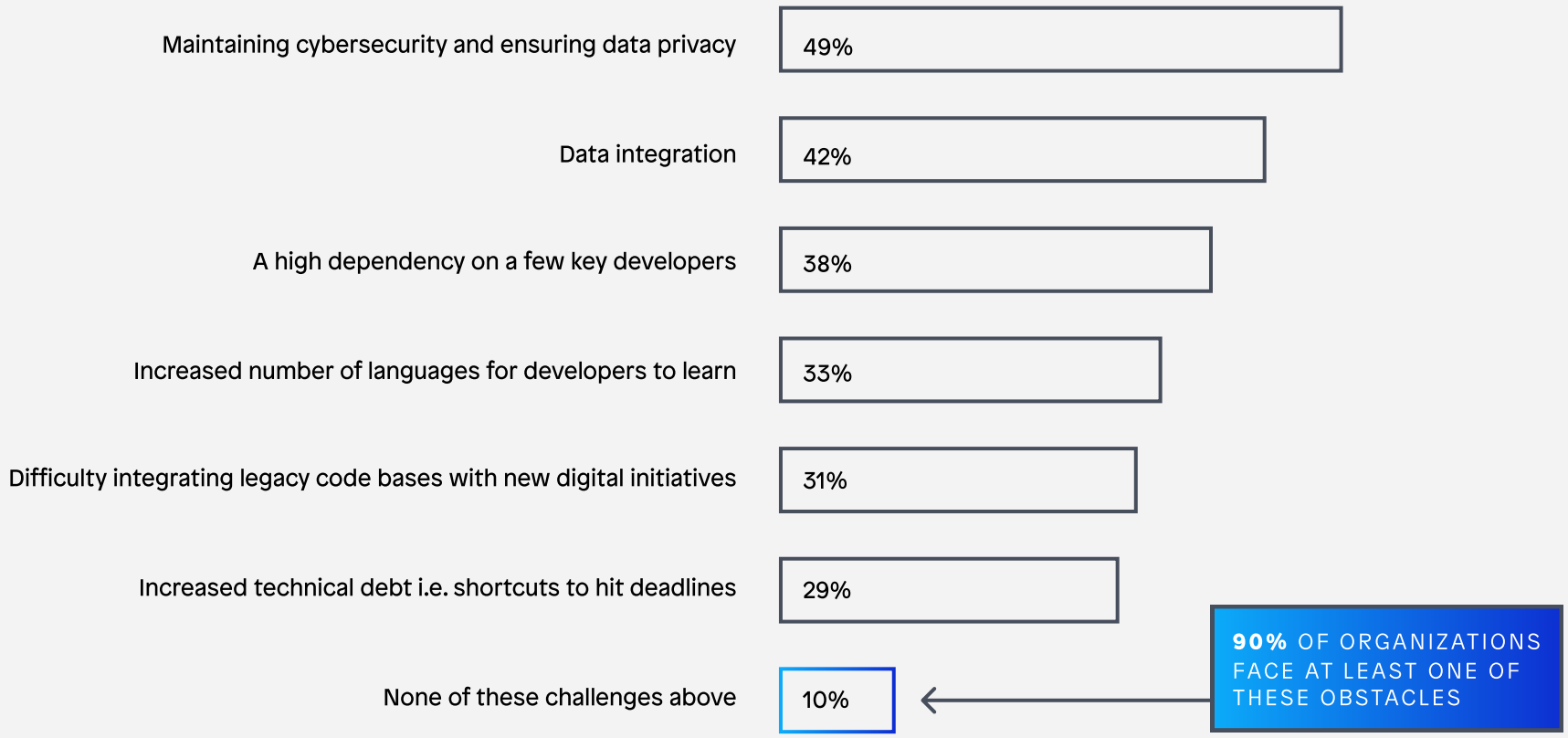
What are the top 3 reasons why your organization is developing or deploying applications that provide a customer experience (CX)? (Percentage ranking each as 1st, 2nd, or 3rd)



Mendix Win with Customer Experience 2021; Q8. [TOP 3] What are the top 3 reasons why your organization is developing or deploying applications that provide a customer experience (CX)?; base n = 522

Maintaining cybersecurity and integrating data are the most common obstacles in delivering digital customer experiences

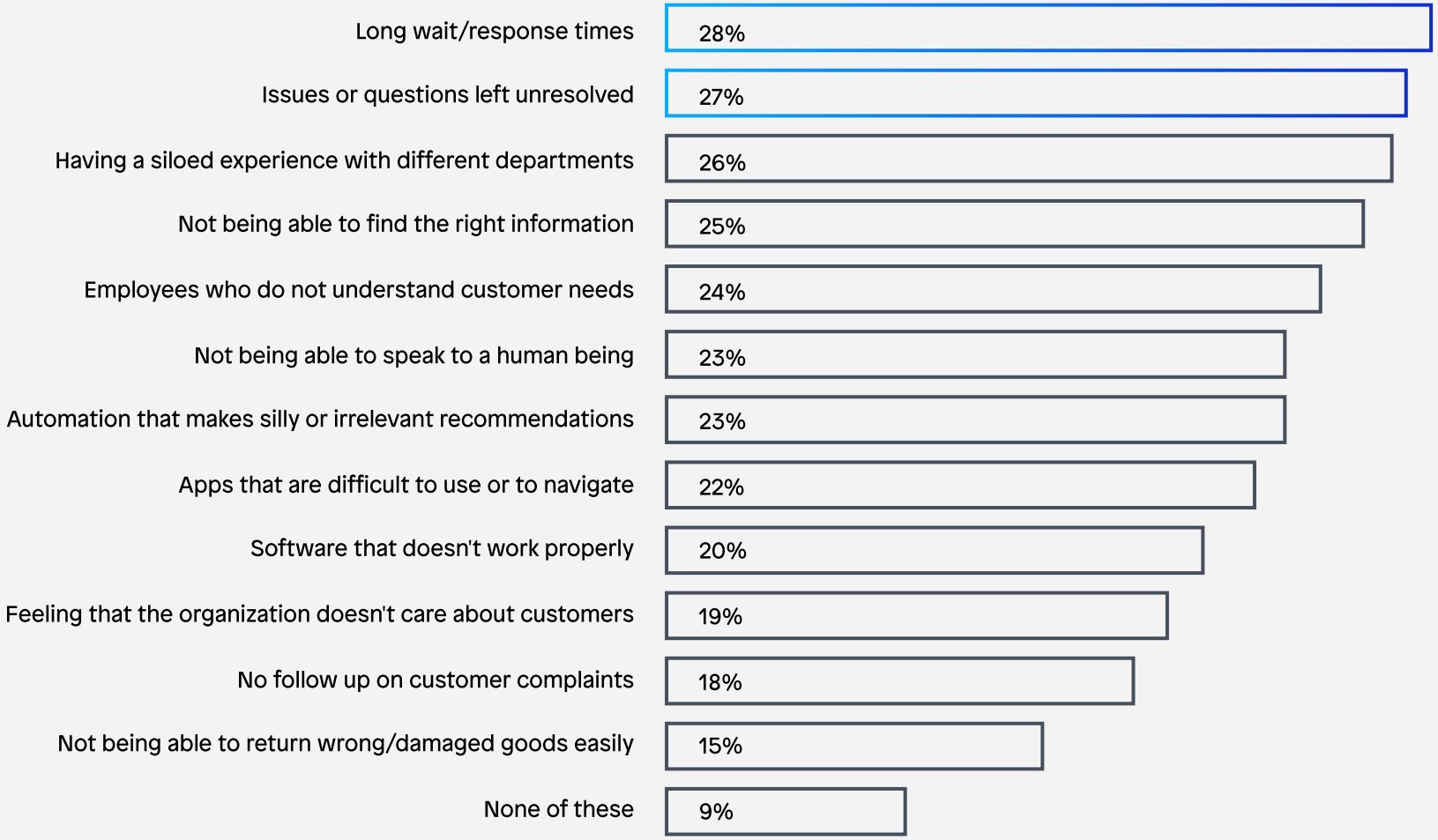
Do you face any of these challenges with delivering Digital Customer Experiences?



Mendix Win with Customer Experience 2021; Q21: Do you face any of these challenges with delivering Digital Customer Experiences?; base n = 522

Customers are frustrated by long wait times and unresolved issues or questions

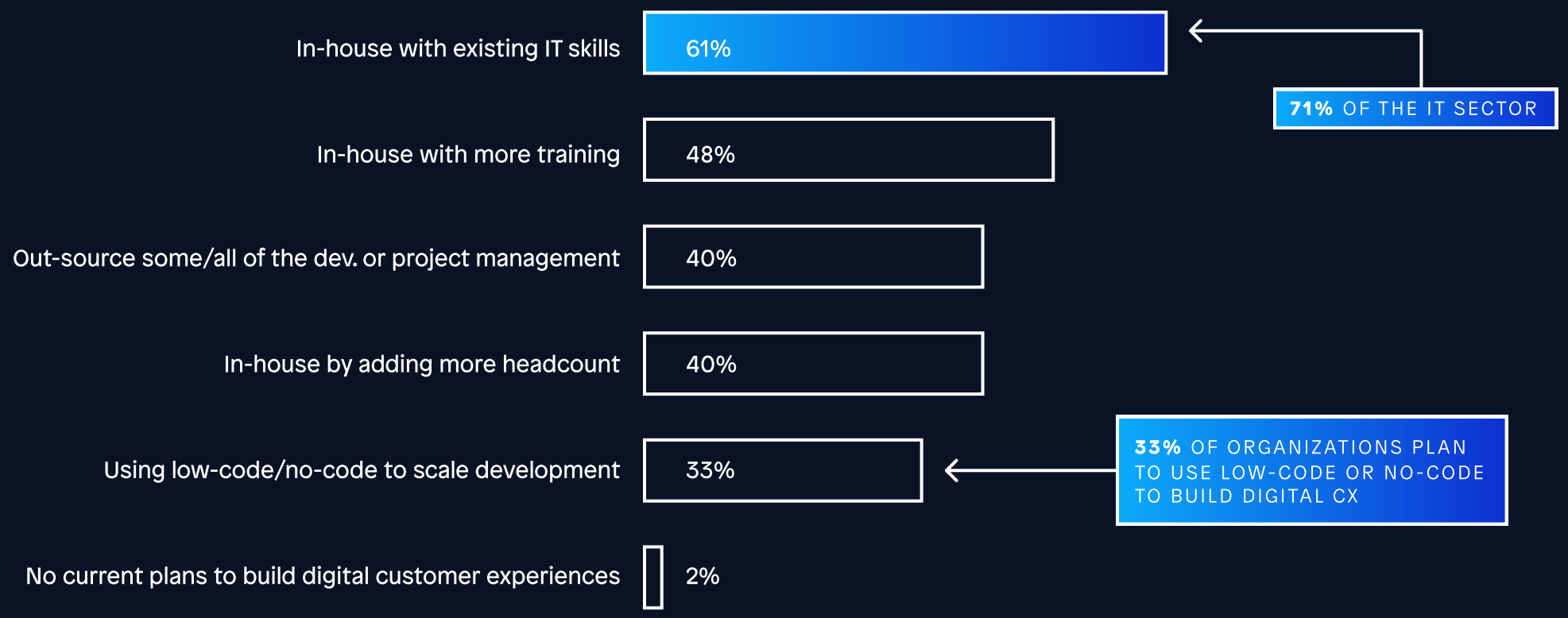
Which are the three biggest frustrations your customers have when interacting with your organization?



Mendix Win with Customer Experience 2021; Q15. Which are the three biggest frustrations your customers have when interacting with your organization?; base n = 522

Most organizations plan to build digital customer experiences using in-house staff with existing skills. A third of organizations plan to use low-code or no-code

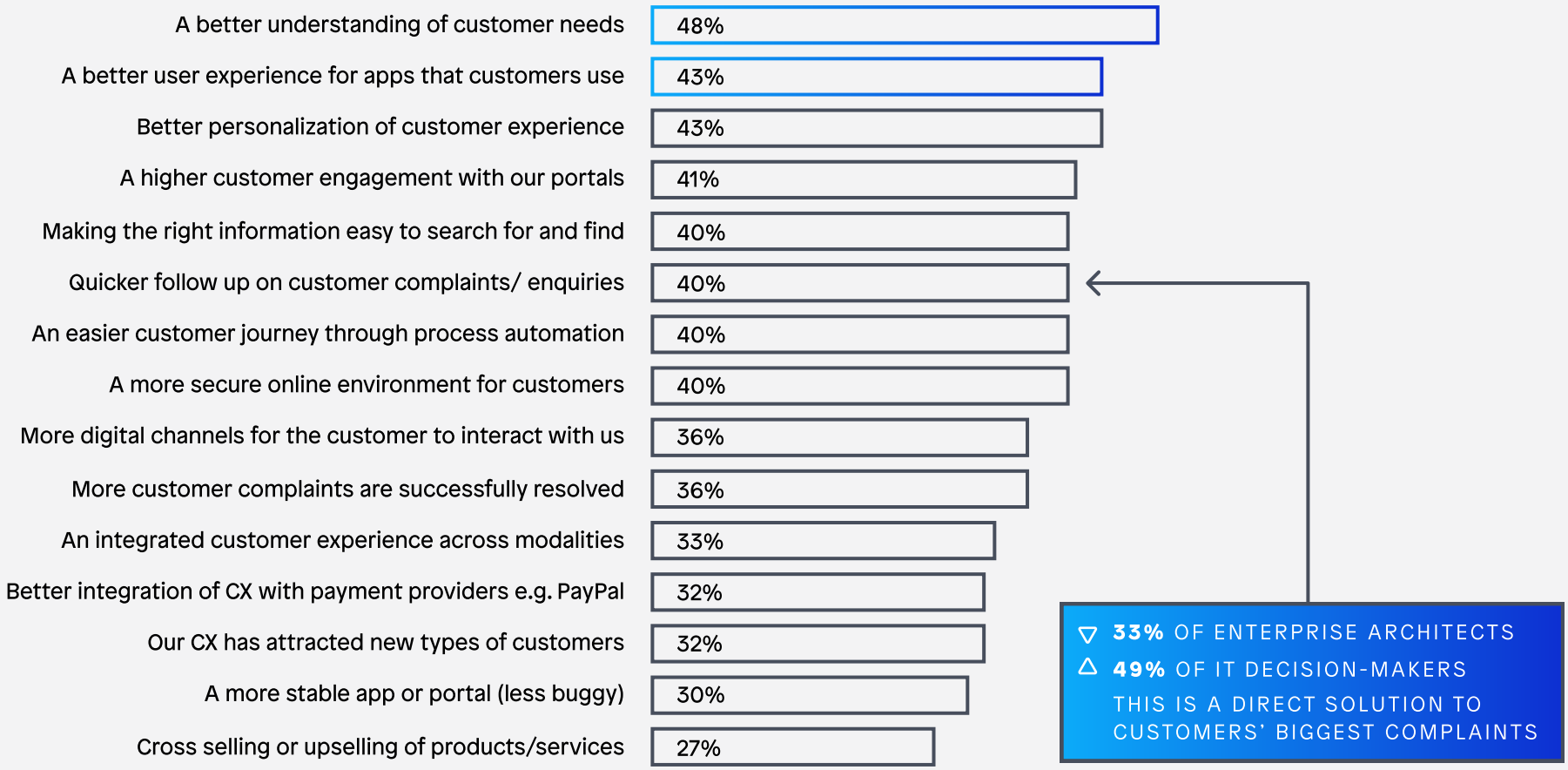
Do you plan in future to build digital customer experiences in any of the following ways?



Mendix Win with Customer Experience 2021; Q19: Do you plan in future to build digital customer experiences in any of the following ways?; base n = 522

Organizations succeed in developing better customer experiences by better understanding customers' needs. This is supported by better UX and personalization

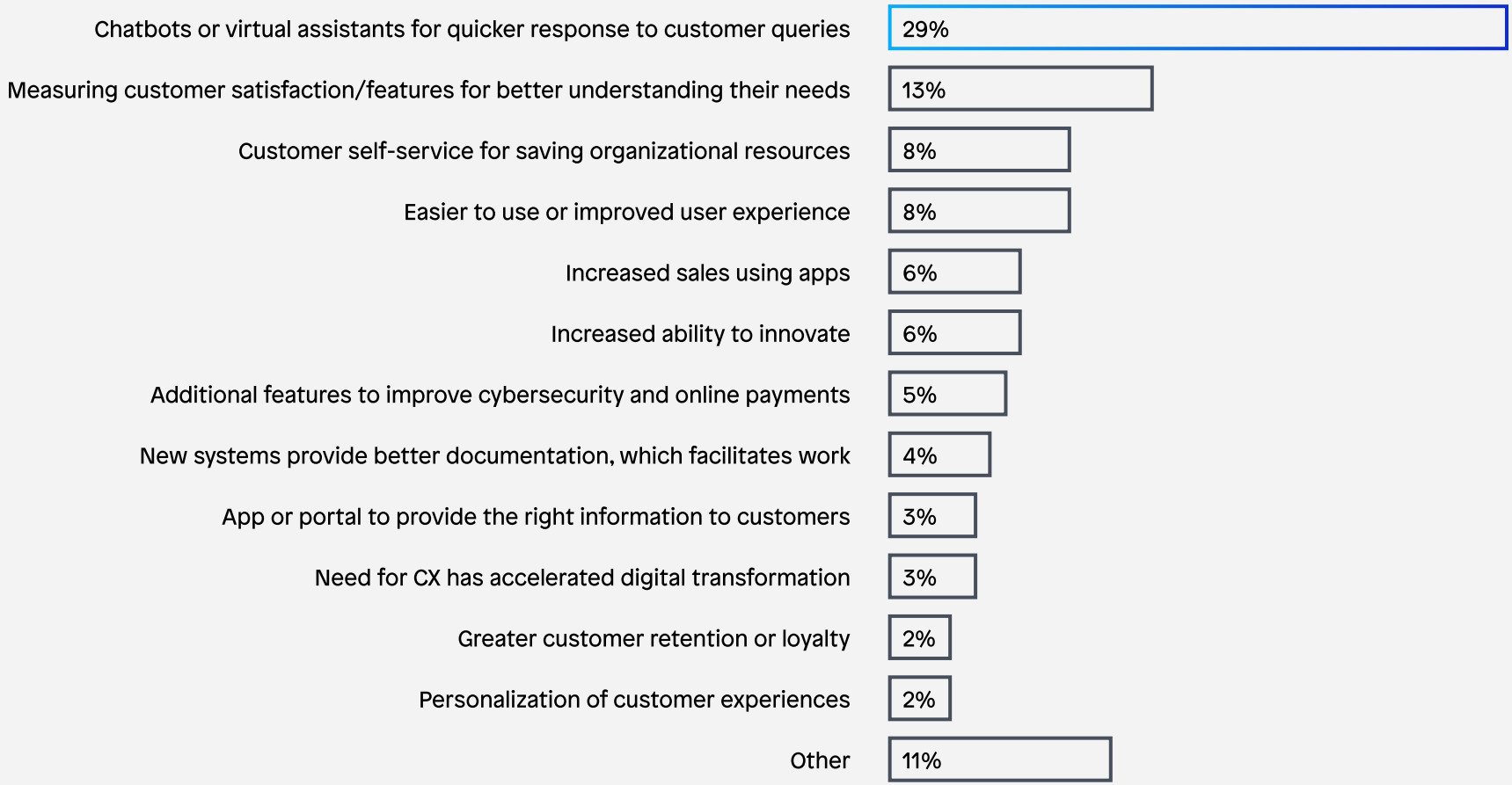
How has your organization succeeded in developing customer experiences (CX) that are a win/win for your customers and for your business?



Mendix Win with Customer Experience 2021; Q13. How has your organization succeeded in developing customer experiences (CX) that are a win/win for your customers and for your business?; base n = 522

Many organizations can give examples of successes with chatbots and virtual assistants.

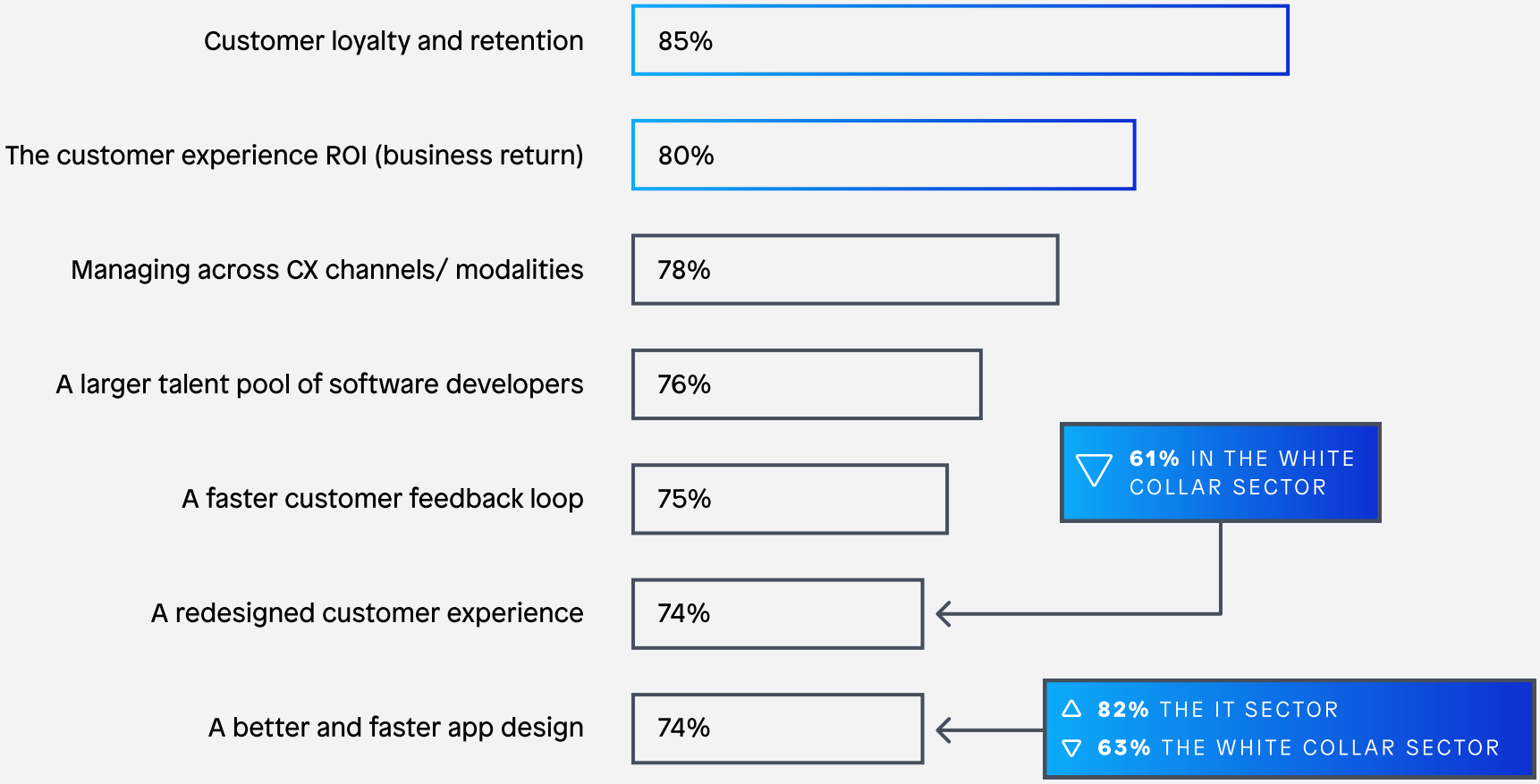
Can you please give us a recent example of one of your organization's successes in using apps or technology to provide an outstanding online customer experience?



Mendix Win with Customer Experience 2021; Q14: Can you please give us a recent example of one of your organization's successes in using apps or technology to provide an outstanding online customer experience? - Coded; base n = 520. *Categories were not mutually exclusive so a response could be coded on multiple categories

Low-code assists in various areas of CX, but especially in improving and speeding up design

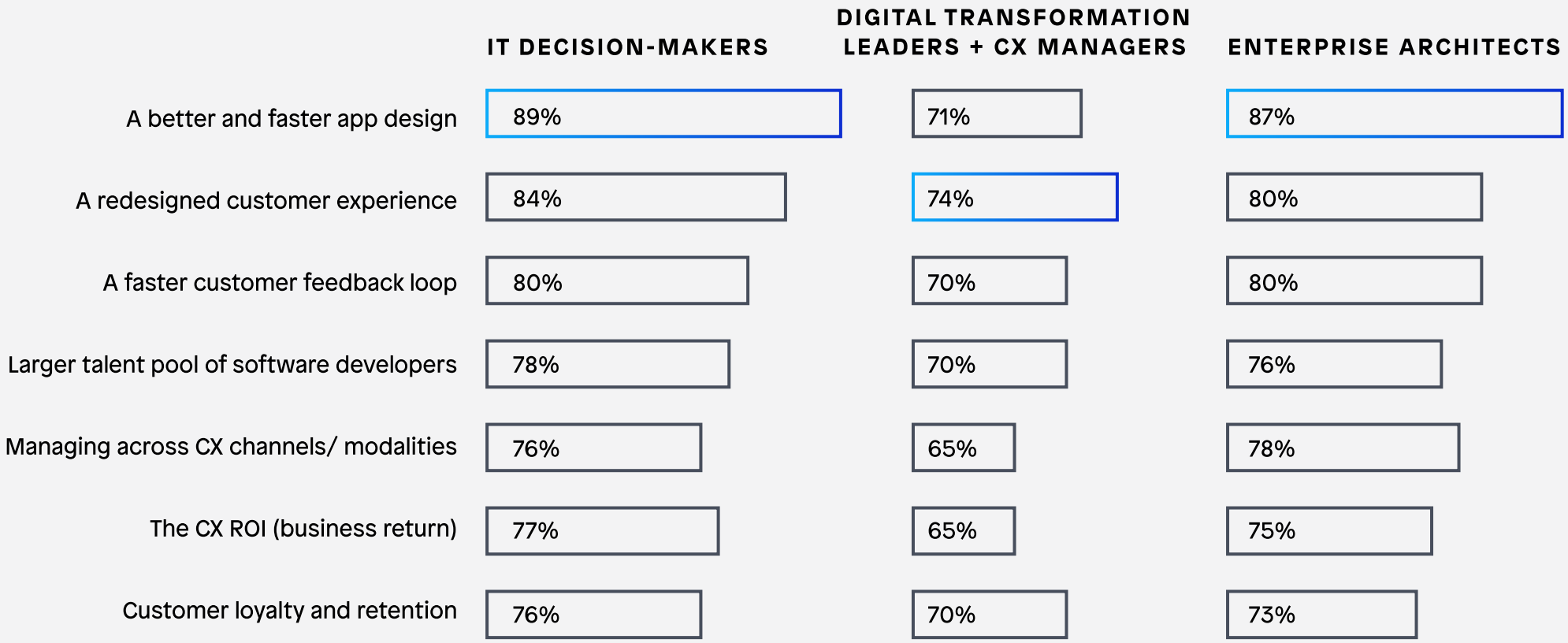
How would you rate low-code on how well it assists the following? (Percentage saying very positively or positively)



Mendix Win with Customer Experience 2021; Q19: Do you plan in future to build digital customer experiences in any of the following ways?; base n = 522

IT decision-makers and enterprise architects are seeing similar benefits of low-code for improved CX (Digital transformation leaders focus on different benefits)

How would you rate low-code on how well it assists the following? (Percentage saying very positively or positively)



Mendix Win with Customer Experience 2021; Q26: [TOP 2 POSITIVE] How would you rate low-code on how well it assists the following by Audience Banner; base n = 522

CX pitfalls can be divided into 7 broader categories: ignoring customer needs, feedback or no tracking are the most common

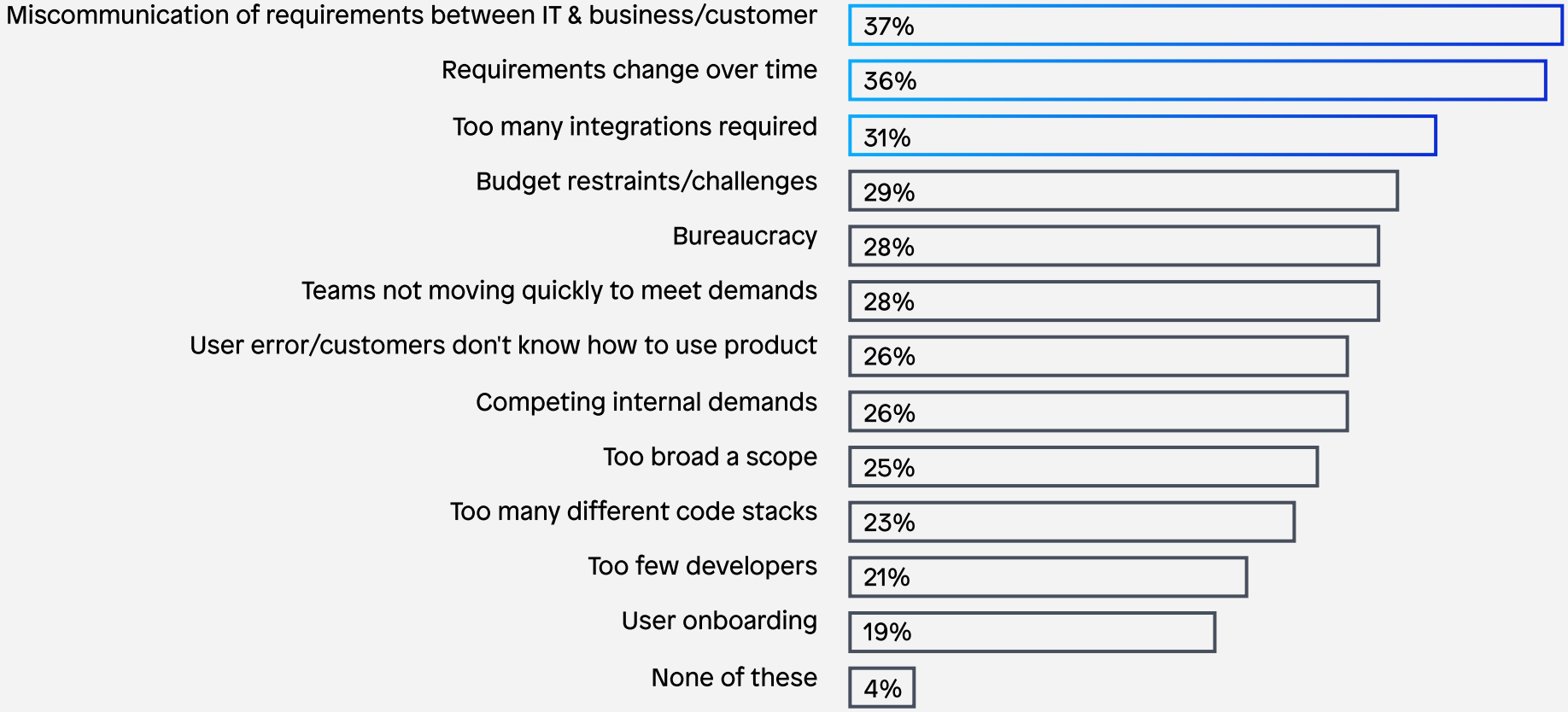
What pitfalls or mistakes do you encounter when trying to deliver new CX? Answers grouped according to Principal Component Analysis

Mendix Win with Customer Experience 2021; Q22: [PCA] What pitfalls or mistakes do you encounter when trying to deliver new Customer Experiences (CX)?; base n = 522

Miscommunication and requirement changes are the most frequent causes of delay in realizing CX projects

Customer "time to value" is the amount of time it takes from starting a project to when a new customer can realize and extract value from your product or service.

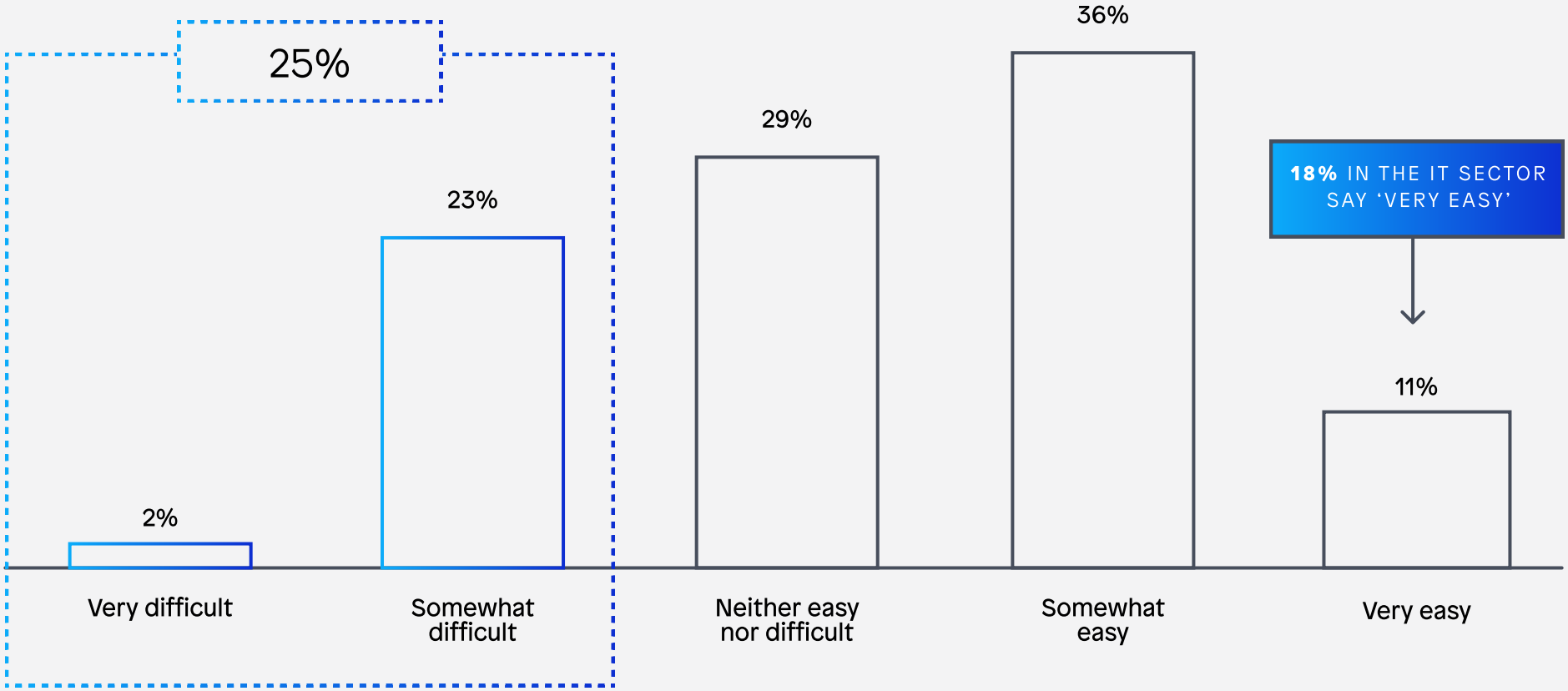
What are some of the factors that slow "time to value" for your company when creating apps for your customers, partners, or employees?



Mendix Win with Customer Experience 2021; Q18. What are some of the factors that slow "time to value" for your company when creating apps for your customers, partners, or employees?; base n = 522

Planning software development is difficult in a quarter (25%) of organizations

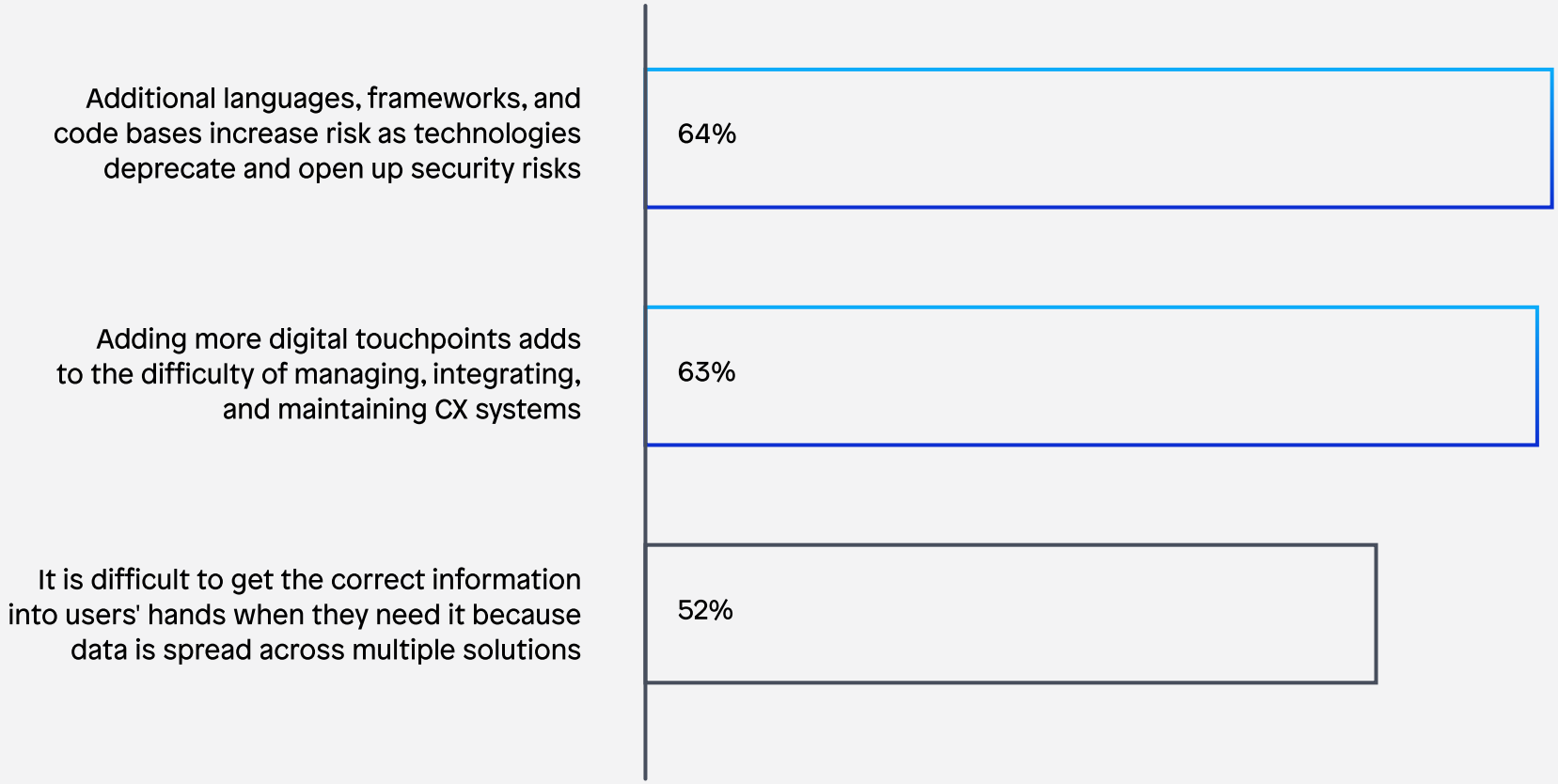
How easy or difficult is it to plan software app development in your organization?



Mendix Win with Customer Experience 2021; Q16: How easy or difficult is it to plan software app development in your organization?; base n = 522

64% of organizations find it challenging to maintain customer experience software as technology deprecates and new features and integrations are added

How much do you agree or disagree with the following statements? (Percentage saying extremely or somewhat agree)

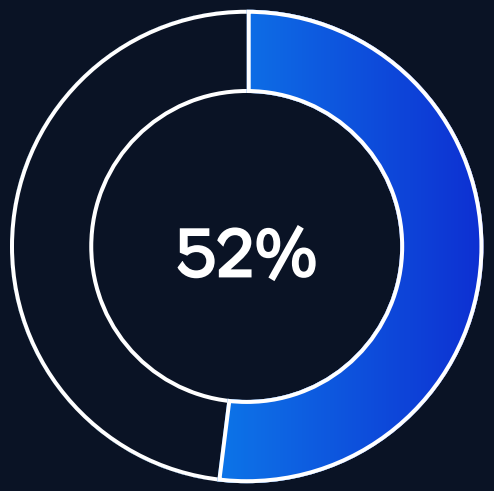


Mendix Win with Customer Experience 2021; Q24r: [TOP 2] How much do you agree or disagree with the following statements?; base n = 522

Majority spend more on maintenance (at least 70% of their budget) than innovation

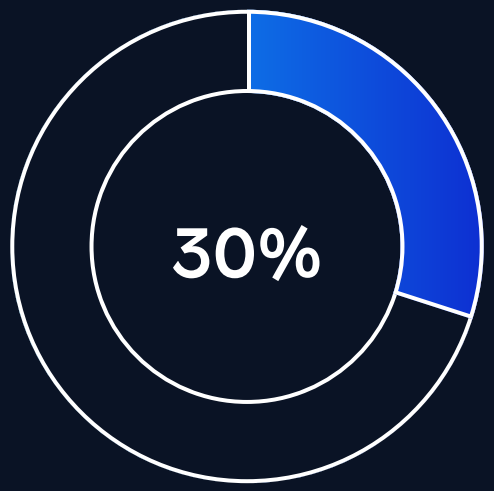
What percent of your IT budget is spent maintaining existing IT systems vs. innovating on new applications or meeting new customer demands in your organization?

At least 70% of IT budget spent on maintenance, 30% or less on innovation



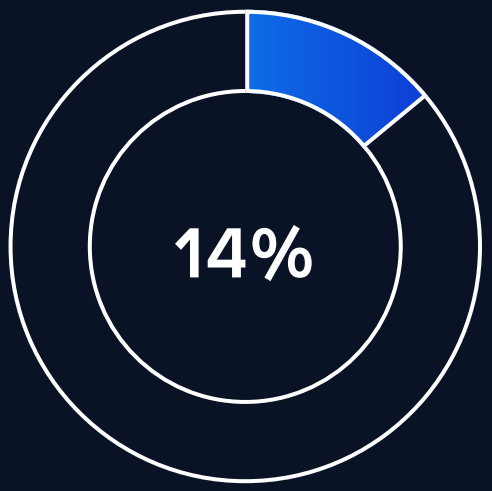
Spent more on maintenance than innovation

Between 40% and 60% spent on maintenance and innovation



Spent about equal budget on maintenance and innovation

30% or less spent on maintenance, at least 70% spent on innovation



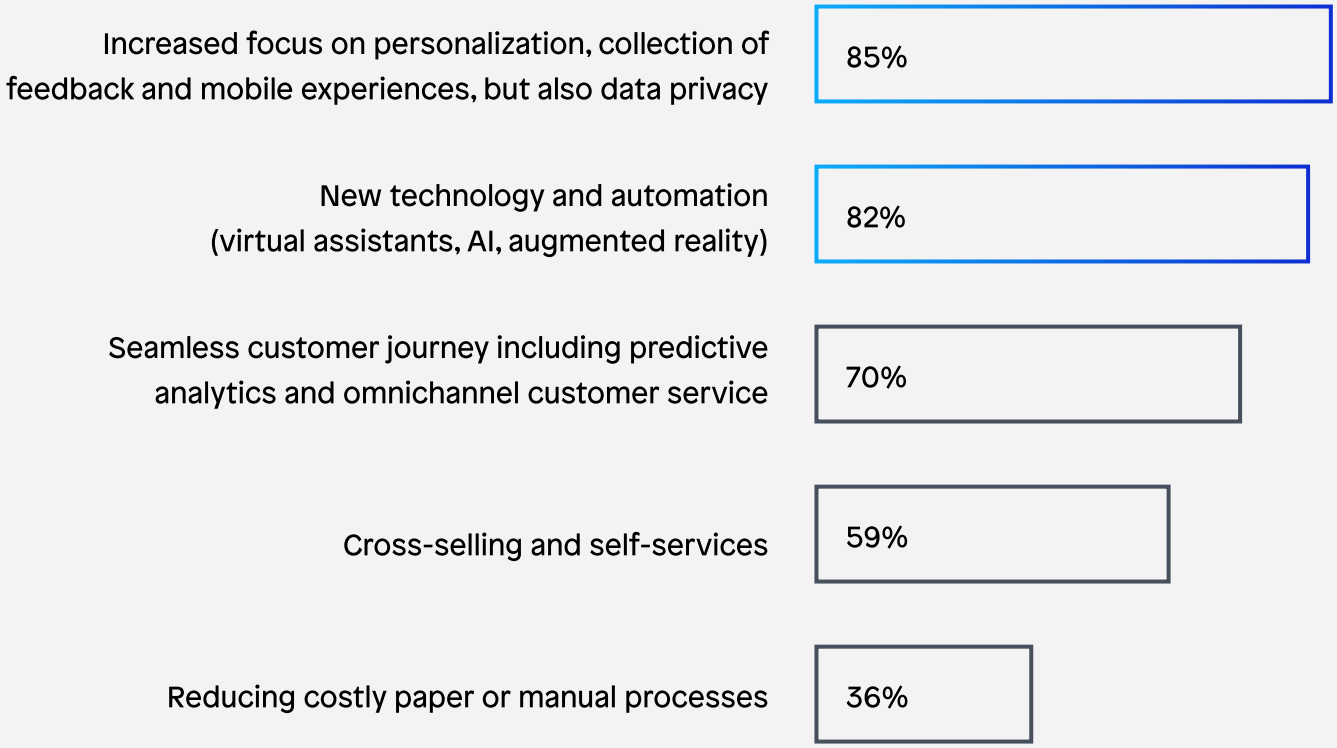
Spent more on innovation than maintenance

5% SAID 'DON'T KNOW'

Mendix Win with Customer Experience 2021; Q20: What percent of your IT budget is spent maintaining existing IT systems vs. innovating on new applications or meeting new customer demands in your organization? [NETS]; base n = 522 *The percentages do not add up to 100% due to rounding decimal places

CX trends can be divided into five categories, of which increased focus on personalization, feedback collection, mobile experiences and data privacy is the leading one

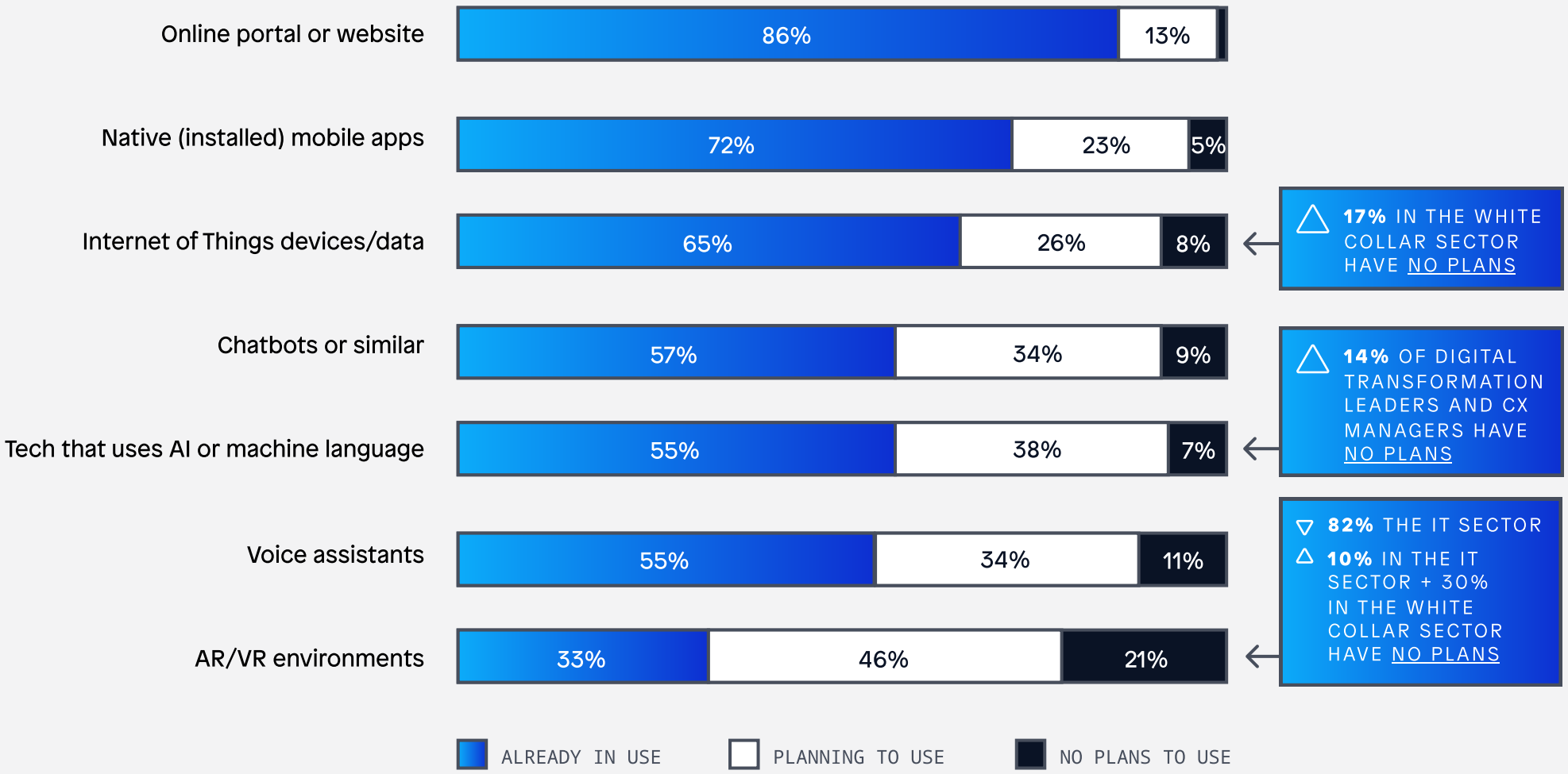
What trends do you see in apps that provide a CX in the next five years? Grouped according to Principal Component Analysis



Mendix Win with Customer Experience 2021; Q11: [PCA] What trends do you see in apps that provide a customer experience (CX) in the next five years?; base n = 522

Augmented or virtual reality environments are used by a third (33%) but planned by almost half (46%) of organizations

Are the following CX modalities in your organization either in use, being planned, or not being considered?



Mendix Win with Customer Experience 2021; Q10: Are the following Customer Experience (CX) modalities in your organization either in use, being planned, or not being considered?; base n = 522

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