

A Forrester Consulting
Thought Leadership Spotlight
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The Business Impact Of Investing In Experience

A Spotlight On B2B Technology

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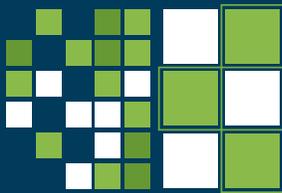
Introduction

B2B technology firms face a growing share of clients whose experiences as consumers are shaping their expectations as they engage with vendors. Just as consumers find the boundaries between physical and digital channels increasingly irrelevant, business customers feel similarly constrained by the organizational silos imposed on them by tech vendors.¹ To thrive in the age of the customer, B2B technology firms must capture and engage all stakeholders — buyers, champions, users, and administrators — by delivering effective, reliable, and trustworthy experiences.² This level of customer obsession pays off: B2B technology firms that deliver industry-leading customer experiences not only delight customers and employees, they attain robust business growth as well.

In February 2018, Adobe commissioned Forrester Consulting to evaluate the business impact of investing in customer experience across the customer life cycle. Forrester conducted an online survey with 1,269 marketing, advertising, customer experience (CX), digital, and analytics business leaders at global enterprises to explore this topic. This spotlight focuses on the results of the 152 technology industry respondents who are responsible for B2B customer experiences. We found that B2B technology firms that invest in experience transformation across people, process, and technology disciplines demonstrate superior performance. These firms — which we have defined as experience-driven businesses (EDBs) — deliver on metrics that align to their brand, revenue, and loyalty goals.

KEY FINDINGS

- › **Experience-driven B2B technology firms invest in driving experiences that increase market influence, revenue, and retention.** The expectations of B2B technology customers have changed, and tech firms are shifting their top priorities to match. To thrive, global B2B tech firms are just as focused on increasing brand influence in the marketplace (79%) and increasing customer loyalty (77%) as they are in growing revenue (78%).
- › **Experience-driven B2B tech firms prioritize the customer's need across the journey and across stakeholders.** Becoming an experience-driven B2B tech firm requires continuous understanding and improvement of a customer journey where implementations, enrichment, and varying goals across stakeholders add complexity. EDBs are leaders because they focus on the tools and processes that execute complex campaigns and because they place high importance on educating employees about their role in serving customers.
- › **Experience-driven B2B technology firms perform better than their peers on key business priorities.** EDBs rethink outdated and disjointed journeys to optimize experiences across stakeholders. As a result, they outperform in key metrics: They are 1.7x more likely than other firms to command leadership in brand equity and 1.7x more likely to increase customer advocacy.



Experience-driven B2B tech firms experience an average 16% growth rate — 1.6x greater than their less mature peers.

Experience-Driven B2B Technology Firms Lead The Industry In CX Commitment

Smart B2B technology firms anticipate changing customer preferences. Take the dramatic changes to B2B tech buying as an example: High-touch, salesperson-led interactions have given way to digital-first, buyer-led decisions. Most business buyers prefer to gather their own information online (68%) and prefer not to interact with a sales rep at all (60%).³ These dynamics have led to a shift in global priorities such that brand influence and customer retention have become as important as revenue growth (see Figure 1). B2B technology firms that want to attract and retain high-value customers must orchestrate compelling, omnichannel experiences from discovery to post-purchase engagement. To drive the types of experiences that build brand equity and loyalty, B2B technology firms need: an organization built to overcome silos; processes that drive continuous improvement through customer insights; and technology that enables strong experiences. We found:

- › **Global B2B technology firms are investing in personalized cross-channel experiences.** The top CX initiative for B2B tech firms is improving cross-channel experiences (46%), followed closely by improving personalization capabilities (41%). Delivering cohesive and personalized experiences is increasingly critical but also difficult: Each B2B account consists of a group of stakeholders — from economic buyer and procurement to management leaders and end users — who interact with different people at the B2B tech firm, using a variety of channels.⁴ The risk of delivering disjointed experiences is high, as B2B tech firms try to serve all those stakeholders throughout the customer life cycle, from discovery to engagement.
- › **Experience-driven B2B technology firms emerge as best in class.** Our survey outlined best practices for building superior experiences and asked respondents to rate their organizations' effectiveness along organizational, process, and technology pillars. We found that many tech firms have difficulty embracing CX best practices consistently across these three pillars. We applied a maturity framework to identify companies in our survey that lead the industry in employing best practices in people, process, and technology: Only 20% can claim the fact that they are *experience-driven businesses* (see Figure 2).⁵ The proportion of EDBs at B2B technology companies was the lowest of any industry in our survey, indicating that B2B companies are behind the curve when it comes to CX transformation.

Figure 1

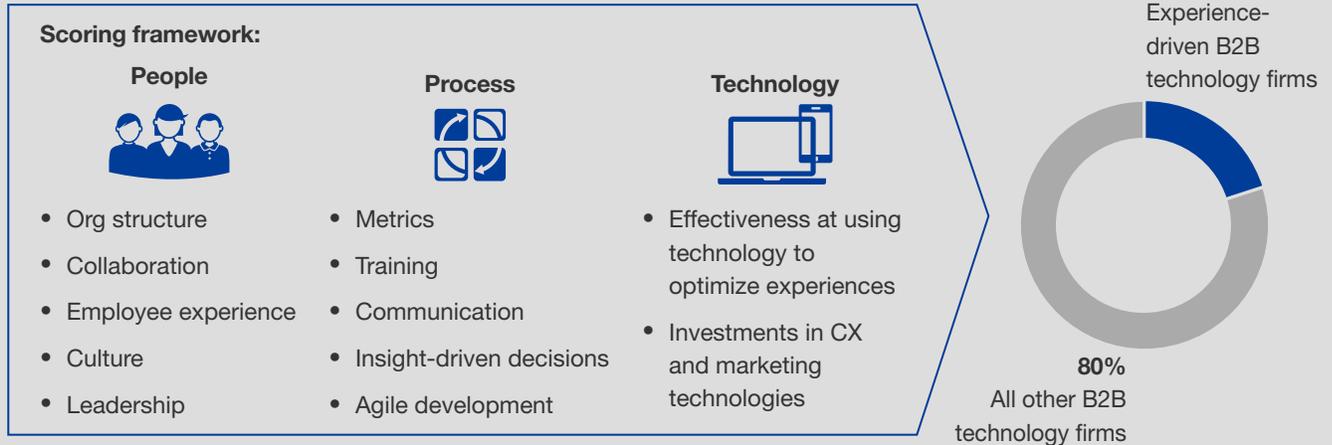
Top business priorities over the next 12 months (rated "critical" or "high" priority)



Base: 152 CX technology and metrics decision makers at global B2B technology companies
Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, February 2018

Figure 2

We used a three-pillar scoring framework to define experience-driven businesses.

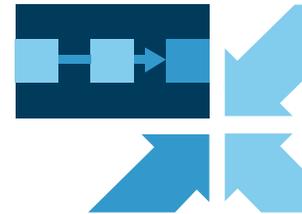


Base: 152 CX technology and metrics decision makers at global B2B technology companies
Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, February 2018

B2B Technology EDBs Coordinate Across People And Content Silos To Achieve Experience Goals

Becoming an experience-driven B2B technology firm requires broad mastery of the organizational, process, and technology changes that deliver value to stakeholders at each buying stage. This is no small feat considering that multistage implementations and varying levels of buy-in across business and technology leaders add complexity. For example, vendors that lack the strong coordination of a customer success management (CSM) organization may let their clients fall into a transition gap between presale and post-sale. Without clear ownership on the vendor side to guide engagement as stakeholders and goals change, the client's time-to-value rate slows.⁶ Therefore, EDBs are noteworthy for maintaining consistency across multiple stakeholders and phases. In further investigating the practices of B2B technology EDBs, we found:

- › **Experience-driven B2B technology firms invest in tools and processes that help design and execute complex campaigns.** EDBs are more than twice as likely as other B2B tech firms (87% vs. 43%) to dedicate specific budget to campaign management. As a result, EDBs are better able to deliver effective cross-channel engagement through standardized, scalable processes for planning, execution, and reporting. For example, campaign automation using lead-to-revenue management (L2RM) platforms smooths online and offline experiences by helping bridge the gap between lead generation (at trade shows, in email campaigns, etc.) and activities managed by the CRM (e.g. deal closure).⁷



“We were able to use our data to determine there was a link between customers who interacted with content and attended an end user event. In cases where they did both, purchase conversion rates were higher with a shorter sales cycle.”

Marketing manager, US B2B technology firm



- › **B2B technology EDBs make sure all employees understand their role in being customer obsessed.** Employee education is of the utmost importance to B2B technology EDBs: 100% say they educate internally about their customers, their vision, and the role employees play in fulfilling that vision. Since many teams may be responsible for customer interactions on any one account (e.g., salespeople acquire, specialists implement and operate, technical teams support or resolve issues), it's no wonder EDBs place a high priority on ensuring all employees practice customer centricity.
- › **B2B technology EDBs are hyper-aware of the areas they need to continuously improve to maintain their EDB status.** Two top concerns EDBs report are lack of alignment across departments/ teams (47%) and difficulty keeping pace with changing customer needs (43%). While it seems counterintuitive for an experience-driven firm to struggle in these areas, it points to the areas they focus on most. Compared to less mature firms, EDBs are more aware of the need to maintain cross-functional alignment to effectively serve customers — these capabilities define their competitive edge so they must be continuously sharpened.

B2B TECHNOLOGY EDBS ACHIEVE BRAND, REVENUE, AND LOYALTY GOALS

By connecting experiences, breaking down silos, and bringing the customer perspective inward, B2B technology EDBs unlock achievements in a broad range of metrics. We found that EDBs succeed in capturing (see Figure 3):

- › **Greater influence in the marketplace.** By prioritizing customer experience, B2B technology EDBs achieve their top priority to increase influence and brand reach in the marketplace. They are 1.7x more likely than other firms to command leadership in brand equity and in product reviews and ratings.
- › **Better business results.** In the metric that matters most to leadership and shareholders — revenue growth — EDBs outperform their peers in the industry. They boast an average 16% growth rate (1.6x greater than less mature firms) and are also 1.3x more likely to exceed expectations in revenue growth.
- › **Increased retention with loyal customer advocates.** The effort B2B technology EDBs put into satisfying their customers with effective, reliable, and trustworthy end-to-end experiences pays off in customer loyalty. They are 1.7x more likely to increase customer advocacy and 1.6x more likely to exceed expectations in customer loyalty metrics.

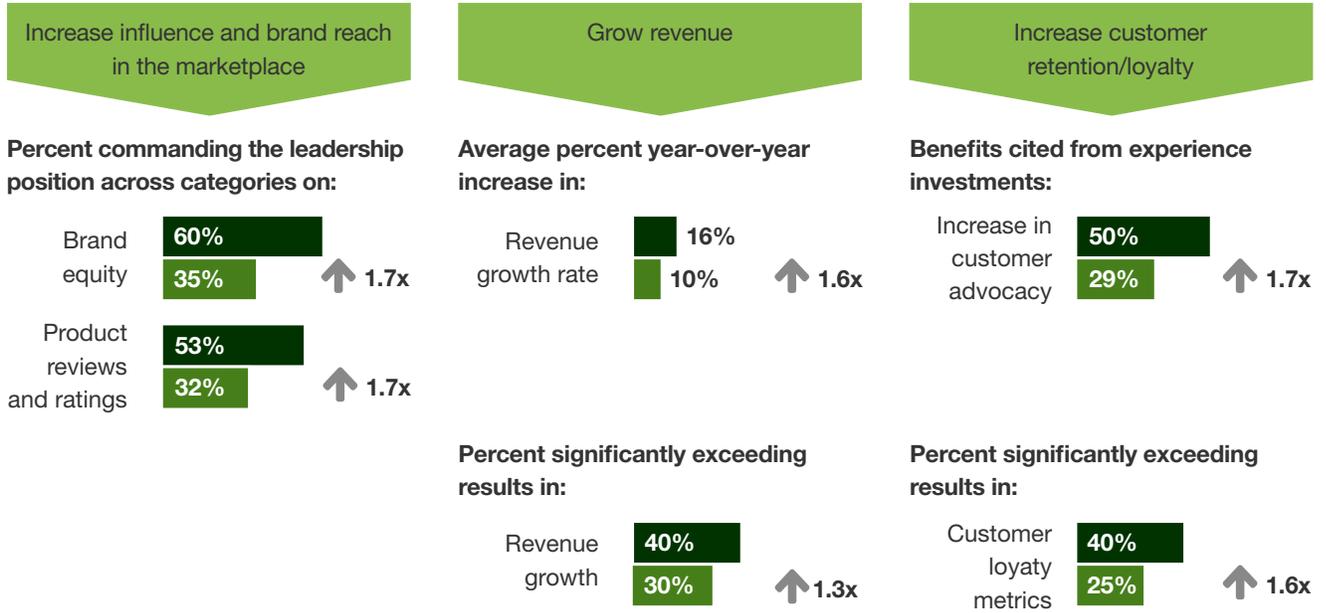
By rethinking disjointed journeys and optimizing experiences across stakeholders, B2B technology EDBs delight their customers and earn their loyalty. As a result, they command a leading position in their marketplace and grow their bottom line.

Figure 3

B2B technology EDBs have strong brands and products that help them create loyal customer advocates

TOP CRITICAL PRIORITIES FOR B2B TECHNOLOGY FIRMS

■ Experience-driven B2B technology firms ■ All other B2B technology firms



Base: Variable CX technology and metrics decision makers at global B2B technology companies (N = 30 for EDBs, N = 122 for all others)
 Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, February 2018

Key Recommendations

While being an experience-driven business is a proven strategy for driving long-term business success, many B2B tech firms still struggle because putting the customer at the center of how a firm does business is challenging. Insights from this study, coupled with Forrester's existing research into CX transformation, yielded several important recommendations:



Use personas and journey maps to kick-start customer-centricity efforts.

Most B2B tech firms must start by redefining their customer definition away from focusing on buyers to including all “individuals who have substantial engagement with sellers and/or their products and services; from funding and purchase through onboarding, actual usage, and ongoing support.”⁸ B2B tech firms should then build out personas — models of the key behaviors, attributes, motivations, and goals — of their various customers groups to help guide how teams should interact with clients. With personas in place, B2B tech firms have a leg up on developing the customer journey maps they need to understand the roles that various B2B customers play while making decisions or using products and services. For example, a cloud software systems integrator discovered through customer journey mapping that the client's implementation lead and tech administrator are key influencers because they're involved with multiple important touchpoints.



Build a mature and effective CSM practice.

Developing an effective CSM group requires CX leaders to determine how they will deliver superior relationship, solution, and engagement management.⁹ Forrester's research shows that a strong CSM organization must have five characteristics: a clear mission tied to business metrics, strong connections with related business functions, proper staffing levels and customer alignment, robust tools to deliver and monitor CSM activities, and a funding model that reflects the value CSM provides. For example, one billing and payment solution provider established a standalone CSM team to oversee everything post-contract signature. This organization employs a data analyst who provides customer insights to the firm's success directors prior to client visits. The firm is also in the process of deploying software to augment success directors' abilities to serve all the business' customers with automated account monitoring that can trigger human responses.¹⁰



Build a viable B2B customer health assessment.

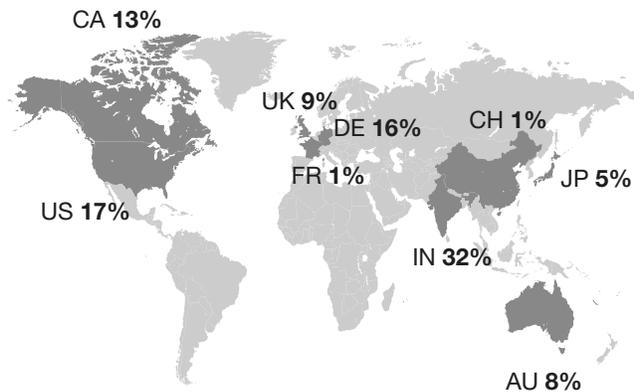
A well-constructed customer health assessment provides a framework that helps the business anticipate CX issues, diagnose problems, and forecast retention and enrichment. Customer health assessments analyze what makes vendors' offerings valuable. Therefore, they should include “objective” measures like implementation/onboarding efficiency (e.g., time-to-value), “subjective” measures like customer feedback (e.g., relationship satisfaction), and marketplace measures like the client's market share. Start by building an initial assessment that judges how well the firm delivers value based on what is easy to measure. Then, mature the assessment over time to measure how successful clients are using the product or service. For example, one enterprise software provider derives 50% of its customer health score based on adoption, i.e., how the client is expanding its use of different parts of the vendor's portfolio.

Appendix A: Methodology

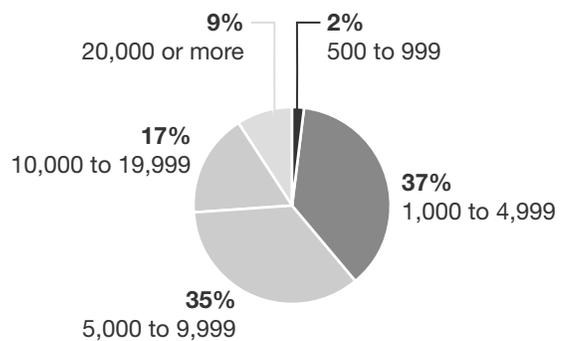
In this study, Forrester conducted an online survey of 1,269 organizations in North America, Europe, and Asia Pacific to evaluate their approaches to engaging customers and prospects across the customer life cycle and the investments they have made in these areas. Survey participants included decision makers in customer experience/success, marketing, digital business, and analytics roles. While the overall study included firms in eight industries (manufacturing, financial services and insurance, government, healthcare, media and entertainment, retail, B2B technology, and travel and hospitality), this report's analysis is limited to 152 respondents in the B2B technology industry. Questions provided to the participants asked about business priorities and challenges, current approaches to supporting CX across the customer life cycle, and business metrics resulting from marketing and CX efforts. Respondents were offered a small incentive as a thank you for time spent on the survey. The study began in January 2018 and was completed in February 2018.

Appendix B: Demographics/Data

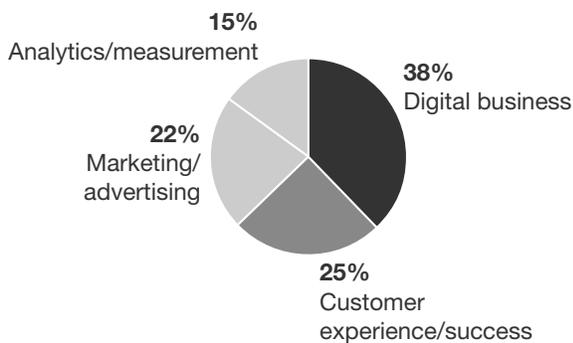
GEOGRAPHIES



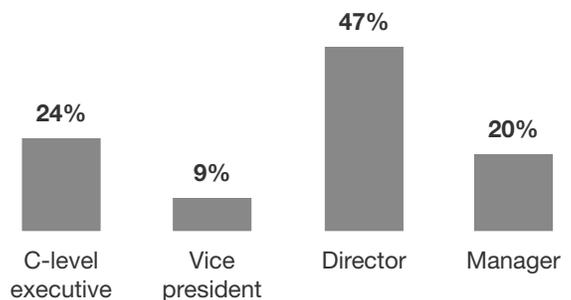
COMPANY SIZE (EMPLOYEES)



DEPARTMENT



JOB POSITION



Base: 152 CX technology and metrics decision makers at global B2B technology companies

Note: Percentages may not total 100 because of rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, February 2018

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“Turn B2B Marketing Into A Customer-Obsessed Organization,” Forrester Research, Inc., December 27, 2017.

“Drive Business Growth With Great Customer Experience, 2017,” Forrester Research, Inc., October 12, 2017.

Appendix D: Endnotes

¹ Source: “Turn B2B Marketing Into A Customer-Obsessed Organization,” Forrester Research, Inc., December 27, 2017.

² Source: “Introducing The B2B Tech Customer Experience Index,” Forrester Research, Inc., August 1, 2016.

³ Source: “Death Of A (B2B) Salesman: Two Years Later,” Forrester Research, Inc., March 29, 2017.

⁴ Source: “Introducing The B2B Tech Customer Experience Index,” Forrester Research, Inc., August 1, 2016.

⁵ The maturity assessment to identify experience-driven businesses was based on responses to a series of questions about the respondent’s organization, processes, and effectiveness in using technology. Each question contained a series of statements reflecting best practices along these pillars of CX. Respondents rated their organization on a five-point scale, where a score of 5 reflected the strongest adoption of each best practice. The sum of the ratings reflected the respondent’s score for each pillar. For the technology pillar, respondents received an extra point for each technology their organization has adopted. The distribution of scores was divided into thirds to assess an individual respondent’s maturity level as high, medium, or low compared to the rest of the sample. This distribution analysis was done at the regional level to minimize any cultural bias in the ratings; for this exercise only, Australia was included as part of the European distribution. Experience-driven businesses were defined as those whose scores landed in the top third (high maturity) of at least two pillars, with no less than a medium level of maturity on the third pillar. Additionally, experience-driven businesses needed to demonstrate consistent commitment across pillars, with no rating less than 3 for any question/statement.

⁶ Source: “Customer Success Management Is The Key To Outstanding B2B Customer Experiences,” Forrester Research, Inc., January 5, 2017.

⁷ Source: “The Forrester Wave™: Lead-To-Revenue Management Platform Vendors, Q4 2016,” Forrester Research, Inc., November 18, 2016.

⁸ Source: “B2B CX Professionals: Find The Full Range Of B2B Customers,” Forrester Research, Inc., October 8, 2015.

⁹ Source: “How To Build A Customer Success Program,” Forrester Research, Inc., May 16, 2018.

¹⁰ Ibid.