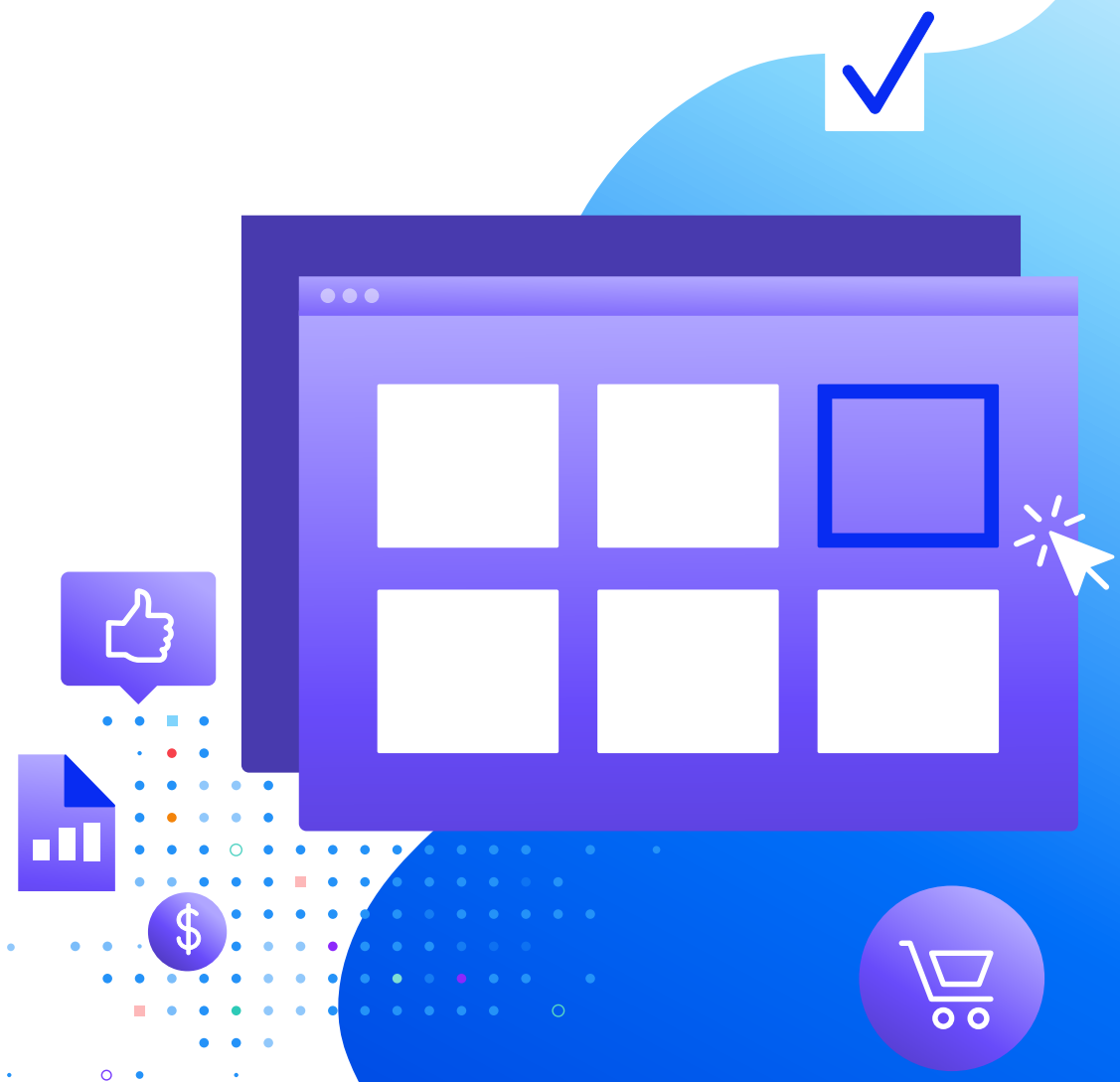


# CX Goes Mainstream

The Customer Experience  
Industry Report, 2018



# Introduction

Our fifth annual survey of the customer experience (CX) industry shows that we're in the midst of a sea change in customer experience that spans all industries, roles, and company sizes. Optimizing and integrating every customer touchpoint has transitioned from being a cutting-edge advantage to a necessary part of doing business. Even the meaning of the term 'customer experience' has matured from industry buzzword status to joining the ranks of 'revenue,' 'product development,' and 'sales' as a priority for most companies.

In prior years, our survey showed that great customer experience was an aspiration with only a handful of companies and industries leading the charge. Progressive companies were doing their best to implement processes that incorporate human insights into business decisions—championing a customer-centric mindset—but only [one in five companies was delivering a great customer experience](#). This year CX is front and center for most companies.

This primacy of CX has also led to a dramatic increase in the number of people who gather customer insights in companies. Central research teams can't handle the volume of studies needed to optimize all of CX, and traditional research methodologies can't keep up with the pace of CX-focused businesses. In a process that many companies call 'democratization of CX research,' companies are empowering employees across disciplines and titles to conduct their own CX studies, enabling them to make high-quality, customer-focused decisions without slowing the business.

# Methodology

In this fifth annual Customer Experience Industry Survey<sup>1</sup>, we asked 3,900 professionals 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 respondent job role, plus a set of general questions asked of everyone. Six key themes stood out this year:**

- Consensus that great customer experience is critical to success
- Very strong support for democratizing CX research
- CX research grows far beyond usability, embracing many facets of human insights
- CX research frequency and budgets continue to increase
- Some companies put too much emphasis on quantitative data and are looking to balance that with CX research
- AI is the trend most likely to impact CX in the future

The full list of questions and responses can be found in the [Detailed Findings](#) section.

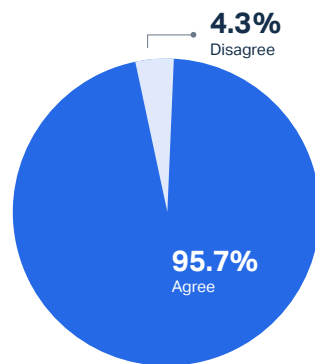
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<sup>1</sup> In past years the survey was known as the UX and User Research Industry Survey. We changed the name this year in recognition of the industry's evolution toward CX, and the democratization of CX research.

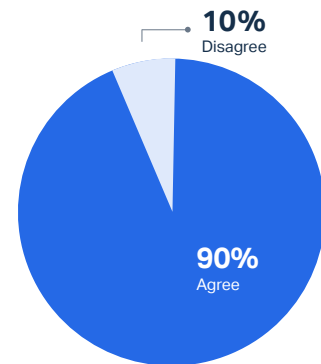


# Great customer experience is critical to success

An overwhelming 95% of executives say that great customer experience is critical to their success; and, consistent with analyst firm [Gartner's findings](#), nearly 90% of executives say they compete on the basis of customer experience.



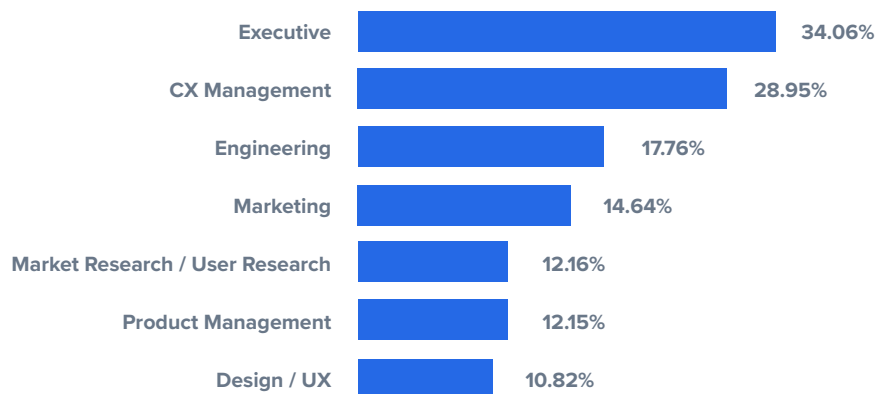
Great customer experience is critical to our organization's success



My organization competes on the basis of customer experience

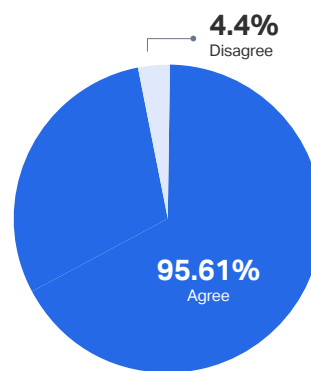
Executives may be overconfident about the quality of their customer experience. Executives and CX managers are far more likely than people in other roles to report that their organization has a very good CX. It appears that senior managers may be less aware of the flaws in their customer experience.

## Percent who strongly agree that they have a very good customer experience

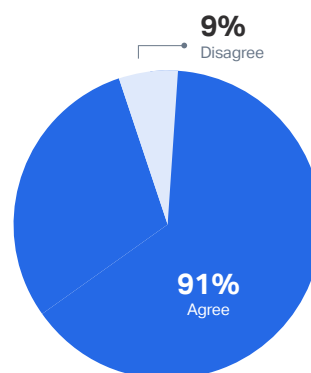


# Strong support for democratizing CX research

As in prior years, company executives expressed their support for the usefulness of customer experience research—95% of executives felt that CX research improves their products and services. Fast human insight is so important to these companies that an overwhelming majority—90%—also want to empower employees throughout the company to conduct their own CX research. Even among full-time UX researchers (those most likely to feel threatened by democratization), 71% want to empower non-researchers to run their own studies.



User research improves the quality of our products/services



I want to enable more people in the organization to do user research

# CX research grows far beyond usability

The wide variety of uses of customer experience research reflects its broad adoption across departments. The number one use is understanding customers and their needs, followed by usability testing of websites, prototypes, and products, CX research on customer journeys, and benchmarking against competitors. Emerging uses include testing customer reactions to marketing content, understanding customer behavior and lifestyles, and complex in-the-wild experiences.

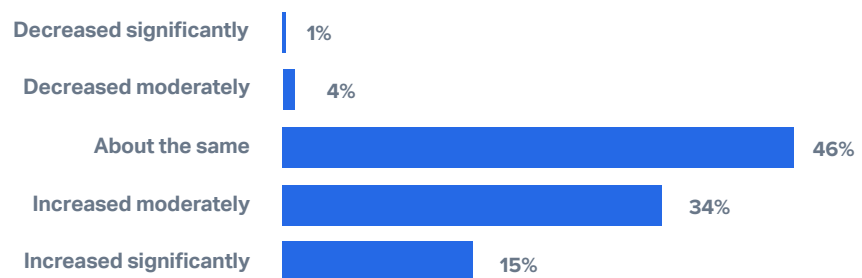
## What does your organization currently do user research on?



# CX research frequency and budgets continue to increase

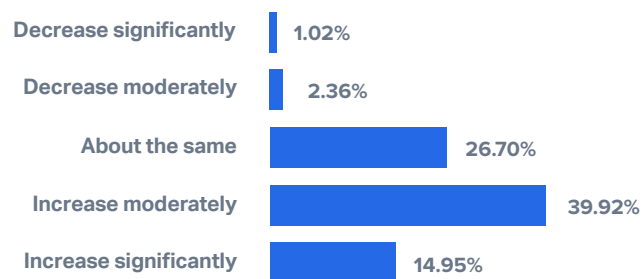
For the fifth year in a row, respondents reported that customer experience research is increasing. About half of companies reported the CX research budget increased last year, compared to 5% who said it declined.

**Change in CX research budget, 2016-17**



Looking ahead to 2018, 55% said they expect the frequency of CX research will increase in the coming year. Only 3% expect it to decrease.

**Expected change in frequency of CX research, 2017-18**



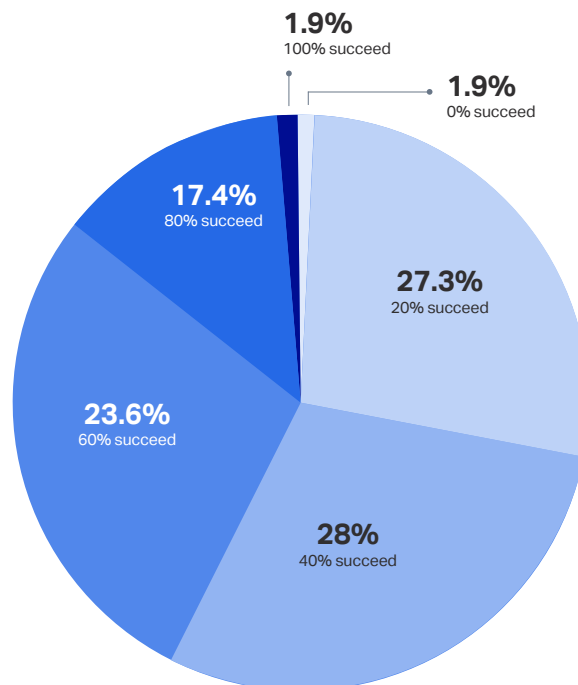
# Too much emphasis on quantitative data?

About half (49%) of respondents said their company puts too much emphasis on quantitative evidence when making business decisions. There are significant failure rates in quantitative testing (such as A/B tests) and surveys and analytics often fail to explain customer behavior. Quantitative data tells you what customers are doing, but customer experience insights complement and take that data a step further to explain why they're doing it.

- More than three-fourths of respondents said it's common for them to have trouble explaining customer attitudes or behaviors found in surveys and analytics.
- More than half of A/B tests fail to produce a statistically significant result. The failure rate is especially high in high tech and retail, verticals that were the first to adopt A/B testing.

## Percent of companies reporting the indicated success rate for their A/B tests

(success = statistically significant result)

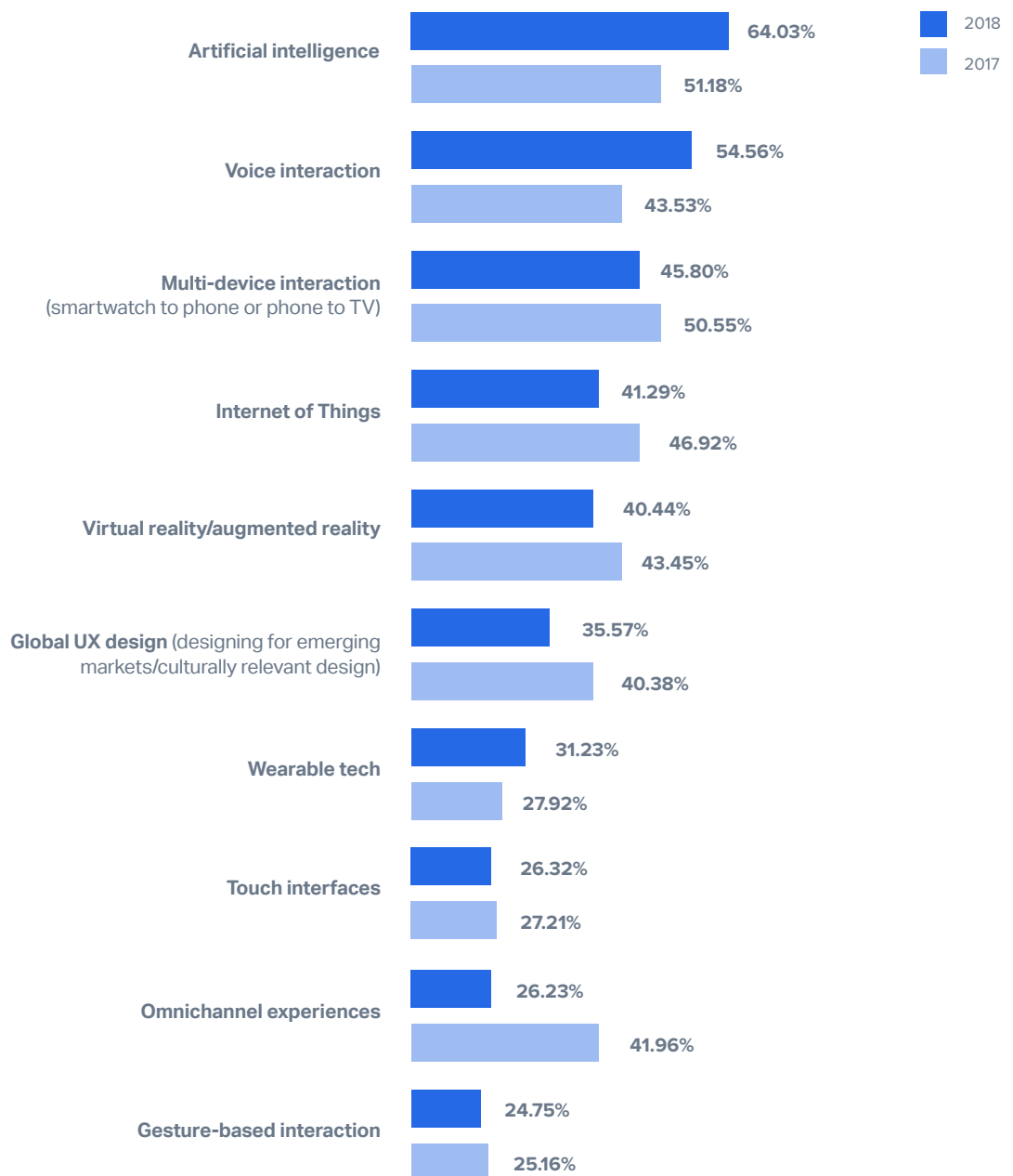




# AI leads CX trends

Artificial Intelligence continues as a top technology trend, with over 60% reporting it will be the most important trend impacting customer experience over the next five years. Voice interaction was in second place. Both of those technologies were rated higher than last year. Omnichannel experiences, however, saw a sharp decline in impact, dropping to 26%, down from 42% in 2017's survey.

Most important online trends affecting CX



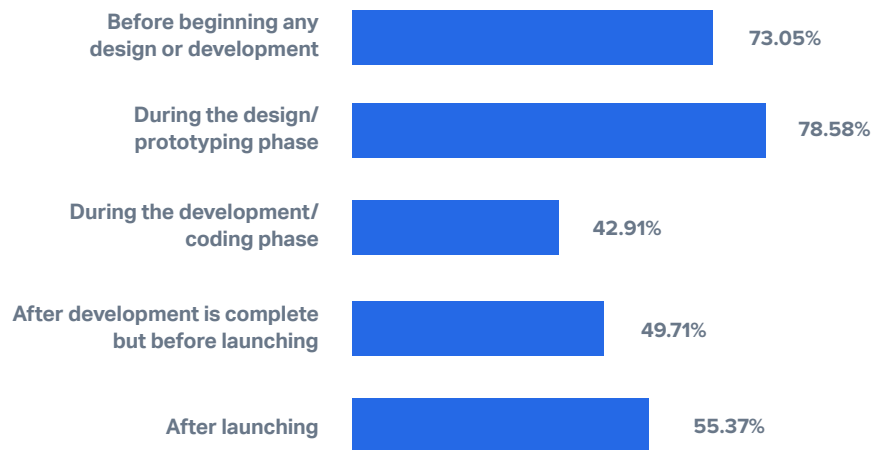
# Detailed Findings

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

## Product organizations

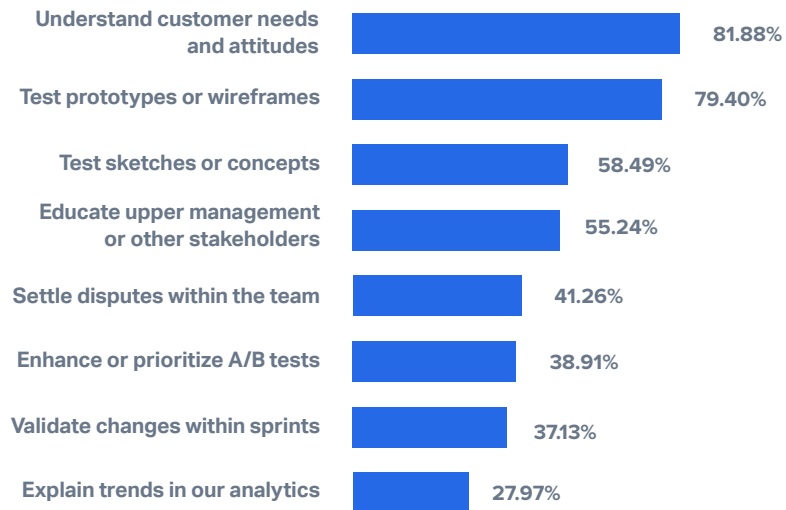
These questions were presented only to respondents in the product organization, including product managers, designers, and product researchers.

**At what stages of development do you (or your team) conduct user research?  
Select all that apply.**



Teams are collecting customer insights at all stages in product development, but the greatest emphasis is on the early stages. It's best to get the design right before you spend money developing the product.

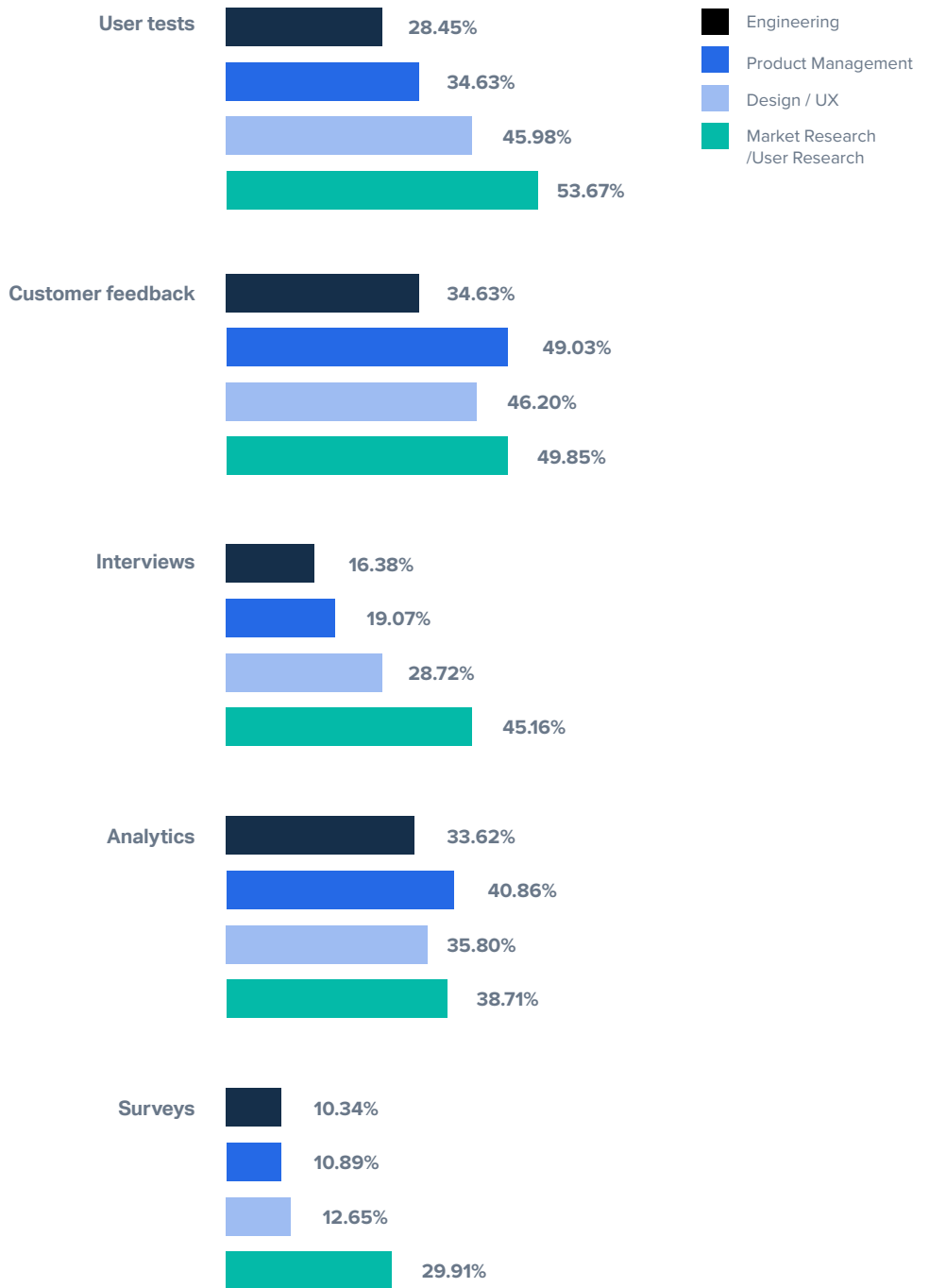
### Does your team use user research for any of the following tasks?



The stereotype of customer experience research is that it's all about usability, but the reality is much richer. "Understanding customer needs" and "testing prototypes and sketches" top the list. CX research can accelerate the process of discovering customer needs, and prototype testing enables companies to find and fix CX problems early in the design cycle - before they are built into code or physical products. CX research also plays a critical role in aligning companies to deliver a great CX: "educating management" and "settling disputes within the team" are both prominent uses.

## How important are each of those tools to your design and development process?

(Percent saying a tool is extremely important)



Product managers and engineers tend to rely too much on analytics and anecdotal feedback, neglecting richer sources of information like customer experience research and interviews. This is a danger, as analytics can't explain customer intent, and feedback tends to come from enthusiasts who don't represent the typical customer. Full-time researchers understand the value of all methodologies and use them in a more balanced way. As access to CX research tools spreads in organizations, product managers have an opportunity to expand their human insights.



# Marketers

These questions were presented only to respondents with full-time marketing roles.

We explored marketing attitudes on some key CX-related issues:

- They strongly agree that customer experience research makes marketing better
- Most say their investment in CX is increasing
- A majority use CX research to evaluate messages and materials for offline marketing, not just online material
- They also use CX research to study customer journeys
- More than half of them say marketing takes the blame if CX is poor
- About 40% say analytics and quantitative data has too much influence in marketing, supporting the need for human insights

### Key CX issues for marketing teams

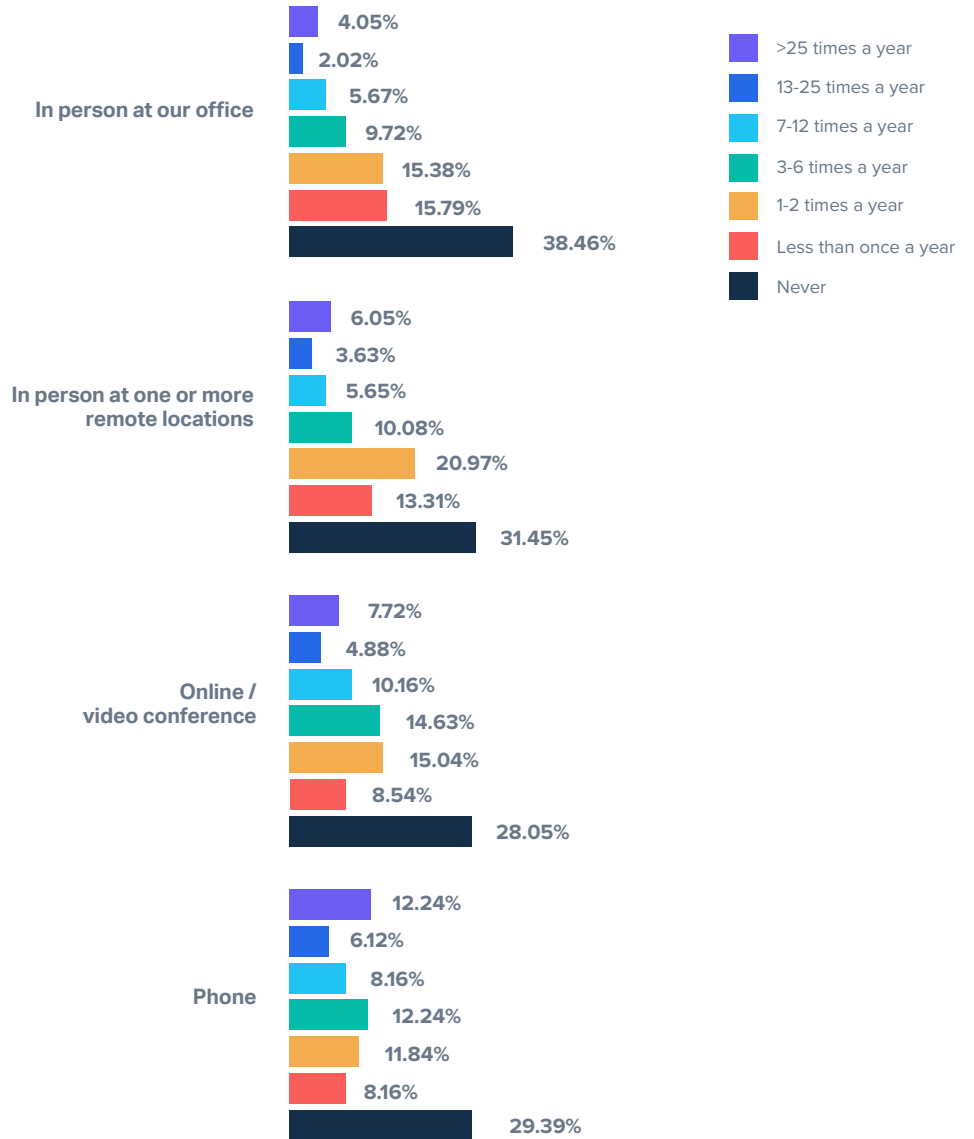
(Percent who agree with each statement)



**On average, about how often does your organization use the following methods to do live customer interviews?**

We wanted to understand how marketing teams do customer interviews today.

The most popular methodology is phone, followed by online, in person at a separate facility, and in person in the office.

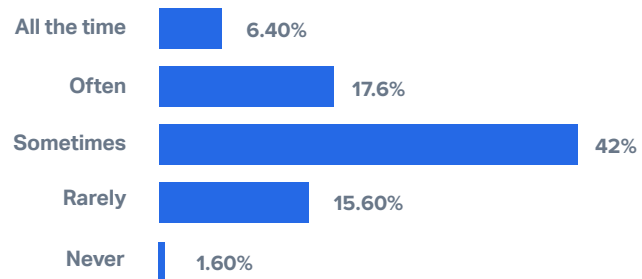


### The role of quantitative research

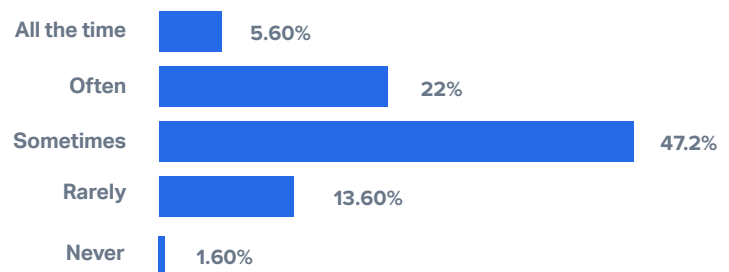
Marketers frequently tell us that quantitative research doesn't give them all the information they need to create a great customer experience. To understand that issue better, we asked three questions focusing on surveys, analytics, and A/B testing.

The results showed that marketing teams frequently run into customer findings in surveys and analytics that they can't easily explain. Meanwhile, A/B tests fail to produce a statistically significant result more than half the time. In all of these cases, CX research can help, by explaining customer behaviors, and by identifying the best alternatives to test in an A/B test.

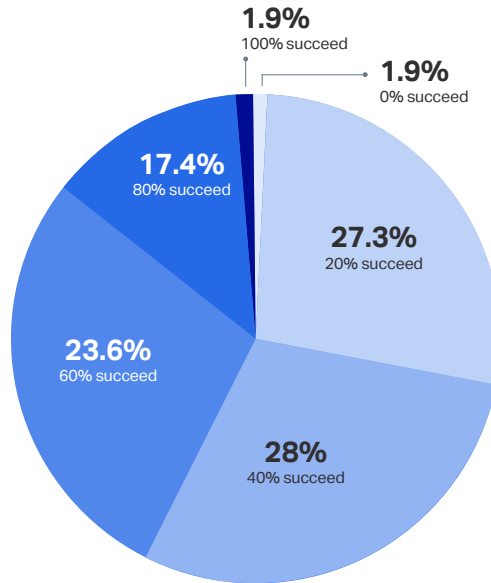
#### How often does your survey data show customer attitudes or customer behavior that you have trouble explaining?



#### How often do your analytics show customer behavior that you have trouble explaining?



**About what percent of your A/B tests produce a statistically significant result?**

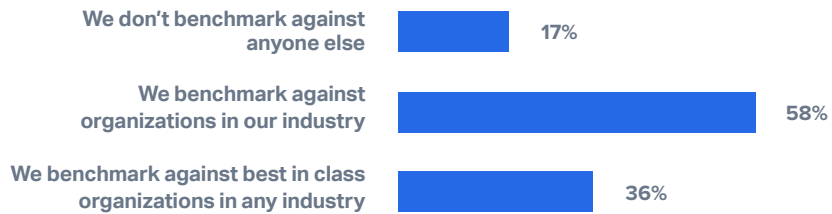


We also explored how many companies are benchmarking their customer experience against others. About 40% of the companies said they do CX benchmarks. Of those that do, about two-thirds benchmark against other companies in their industry, and about a third benchmark against best in class organizations in any industry.

**Does your organization conduct benchmarks of your customer experience?**



**Please choose the phrases that best describe your customer experience benchmarks.**

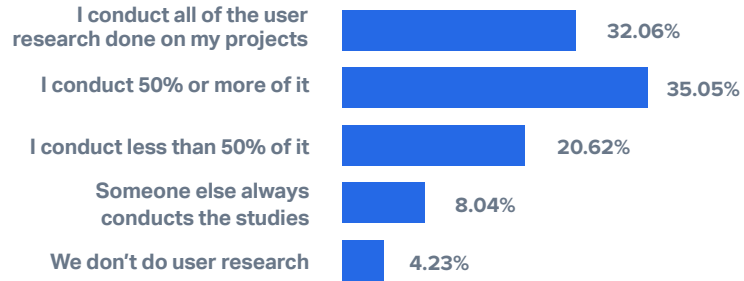




## Designers

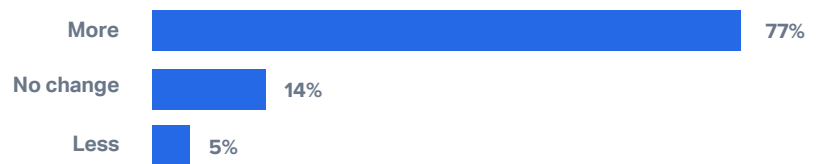
These questions were presented only to respondents with full-time designer roles.

### Out of all the user research done on your projects, how much of it do you conduct yourself?



About two-thirds of designers do all or a majority of the customer experience research on their projects. This supports the key theme on the democratization of CX research: online solutions make it easier for anyone to conduct CX studies, freeing designers to do their own research while market research teams focus on the most generative research.

### In 2017 as compared to 2016, did your company put more or less emphasis on design?

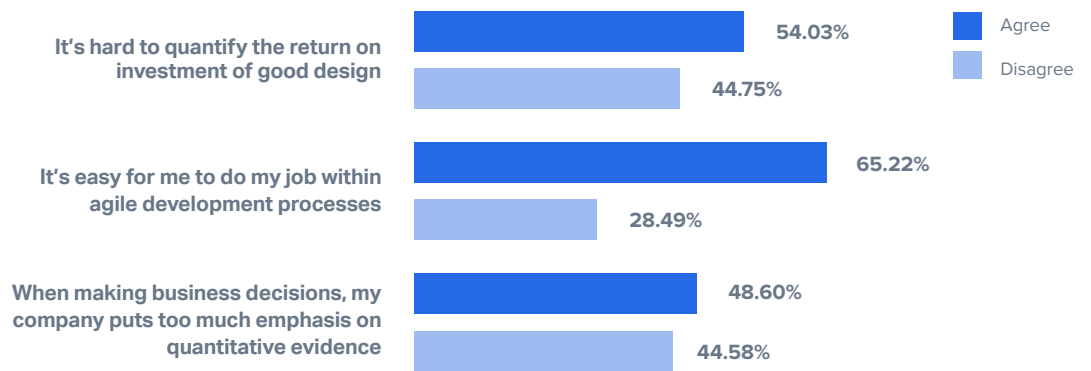


77% of companies increased their emphasis on design in 2017, while only 5% decreased emphasis. The focus on design was especially intense in larger companies. In companies with over 5,000 employees, 86% increased their emphasis on design.

### Key CX issues for designers

We explored some of the CX-related concerns that we frequently hear from designers: that they have trouble proving quantitatively the value of good design; that they have trouble finding the time to do good design within fast-paced agile development; and that their company puts too much emphasis on quantitative metrics rather than hard-to-quantify customer insights.

The survey confirmed two of the three issues. A majority of designers said they have trouble quantifying the value of good design, and a majority also said their company puts too much emphasis on quantitative metrics. But about two-thirds of designers said they don't have trouble keeping up with agile dev processes, which is good news as agile continues to be the preferred development method.



## Market and UX researchers

These questions were presented only to respondents with full-time market research and UX research roles.

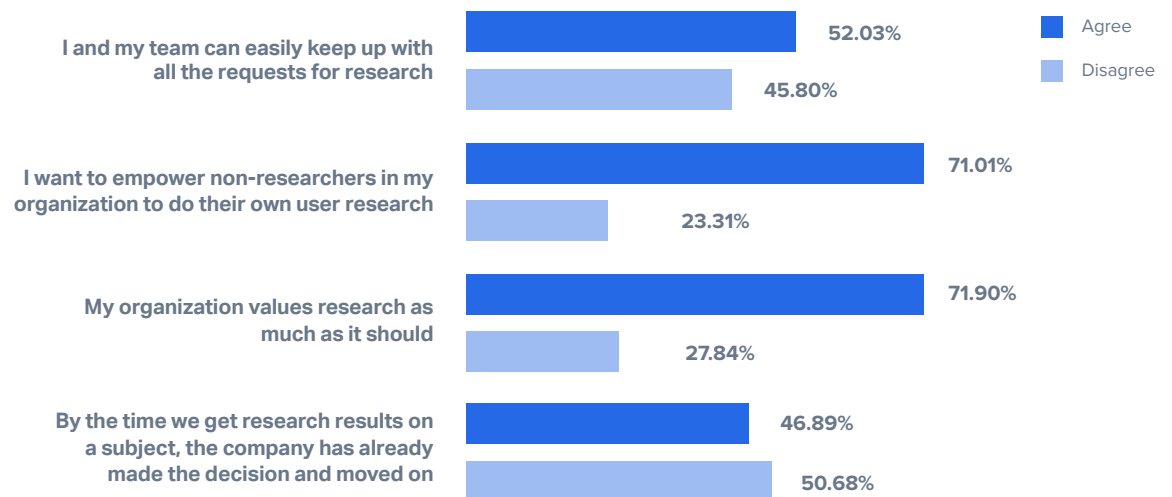
We frequently hear four common issues from people in these roles:

- They have trouble keeping up with all the demand for research
- They're struggling with the idea of empowering non-researchers to do research
- They don't feel the company values their work
- They worry that by the time they can finish a piece of research, the company has moved on to other issues

We asked them about these problems in the survey. Only a narrow majority said they could keep up with all the requests for research, meaning many researchers are overloaded. The researchers were also closely split on the issue of the company moving on before the research is done—almost half the researchers said this is a problem.

Most researchers said that their organization values their work, and most of them are enthusiastic about empowering others in the organization to do their own research.

### Key CX issues for researchers



## Executives

This section was targeted at people in full-time senior management roles.

The survey explored executives' views on a wide variety of CX-related issues.

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

(Percent who agree)



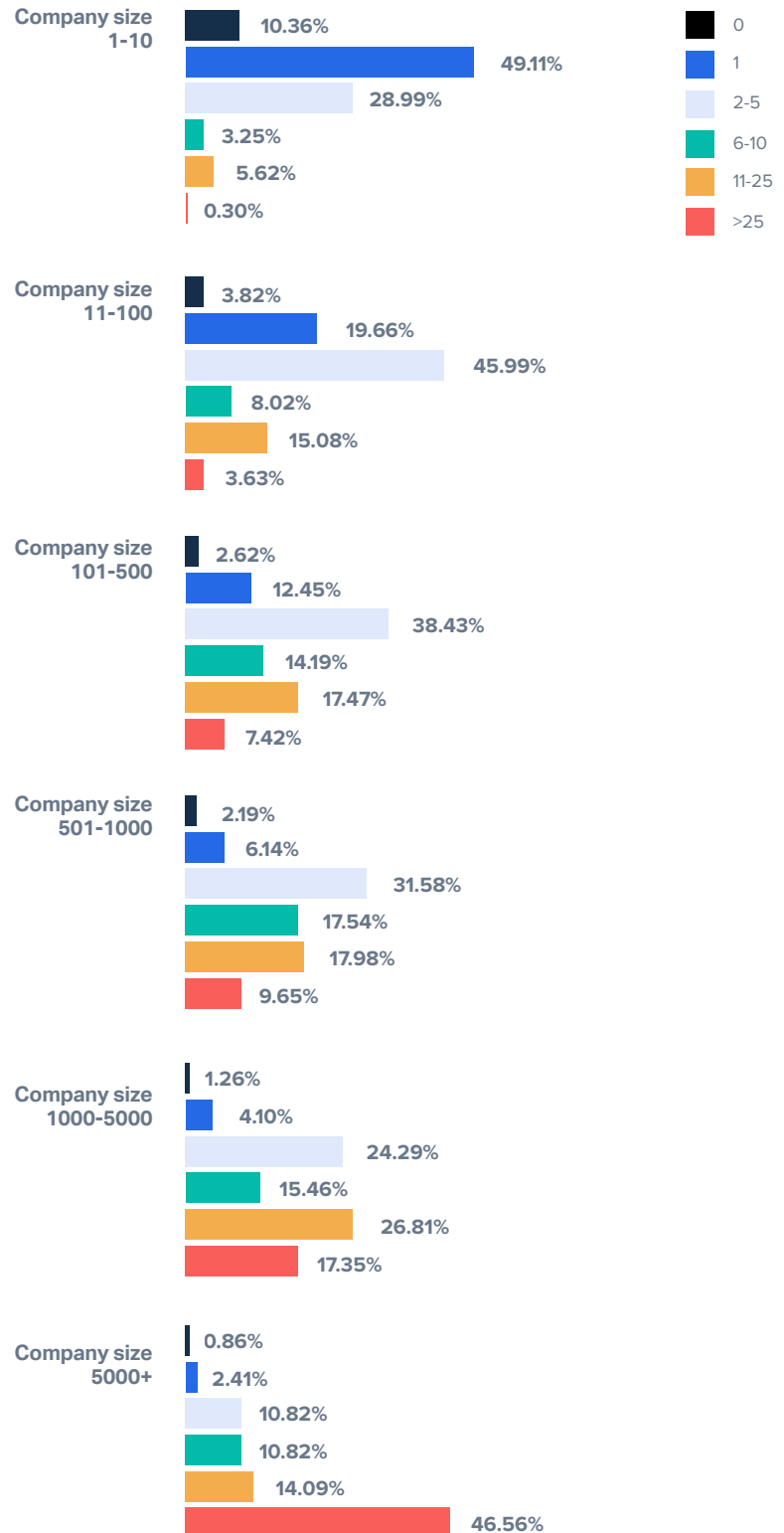
Their attitudes were mostly upbeat. They agree on the importance of customer experience, and most say they have a strategy in place to drive it. But some showed uncertainty about how their CX compares to the competition, and 20% said their customer experience is terrible.



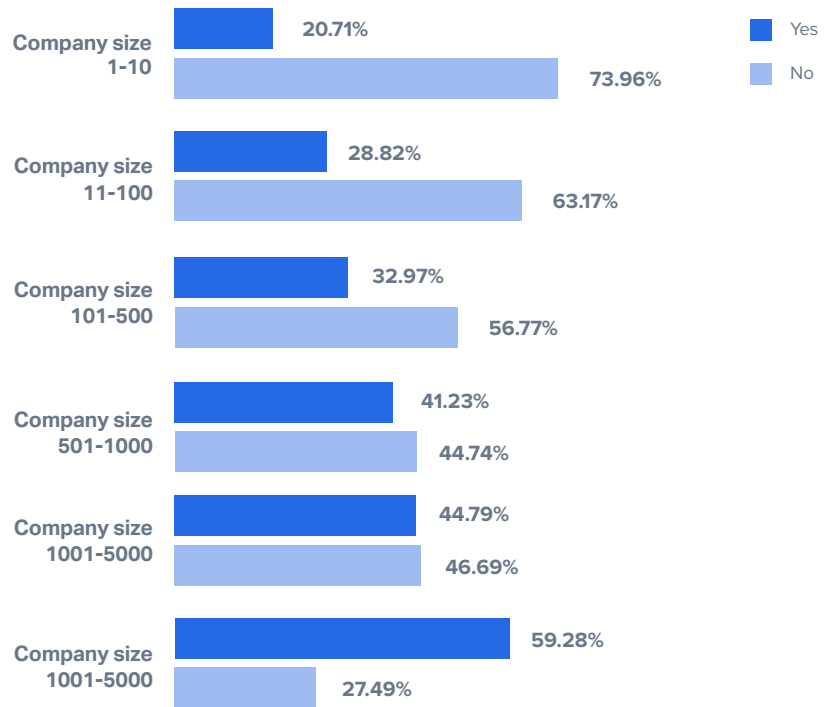
# Asked of everyone

These questions were presented to all respondents.

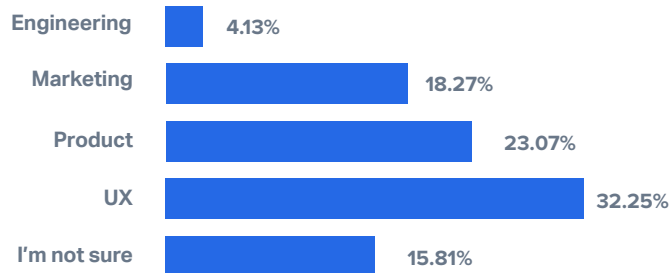
How many people in your organization, part-time and full-time, work on user experience?



### Does your organization have a dedicated team for UX research?



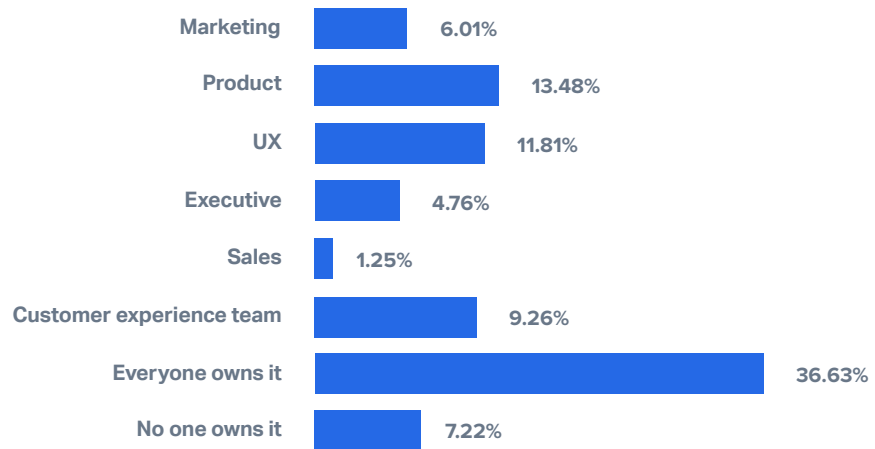
### Which team in your organization finds the most value in user research?



As more and more teams are empowered to collect their own insights, it's not surprising that some teams felt their specific department gained the most value from customer experience research. In the overall results, UX, Product, and Marketing topped the list; but when reviewing responses by role, each of the Marketing, Product Management, Design, and Executive roles felt that their own teams benefited most from customer studies.

While this may indicate the need for a bit more communication between teams, the silver lining is that organizations are recognizing the value of human insights across disciplines, further supporting the need for a company-wide culture of continuous CX research.

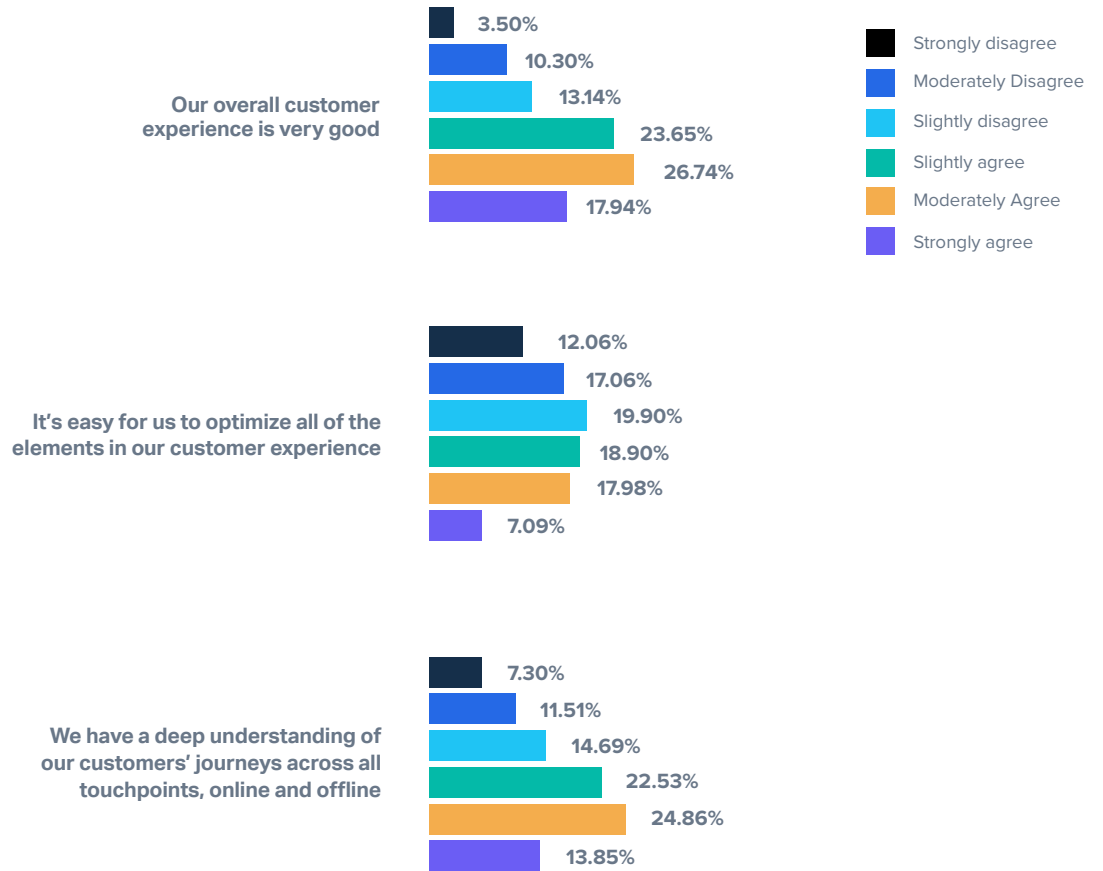
**In your organization, which team is ultimately responsible for the overall customer experience?**



Over 35% of respondents felt that everyone in the organization is responsible for the customer experience. This reveals an opportunity for companies to embrace the democratization of customer experience research and empower teams across disciplines to conduct and own their own CX studies.

It's also interesting to note that, although many felt everyone in the organization played a role in the customer experience, when things went wrong, the majority of marketers reported that they would be blamed for a negative experience.

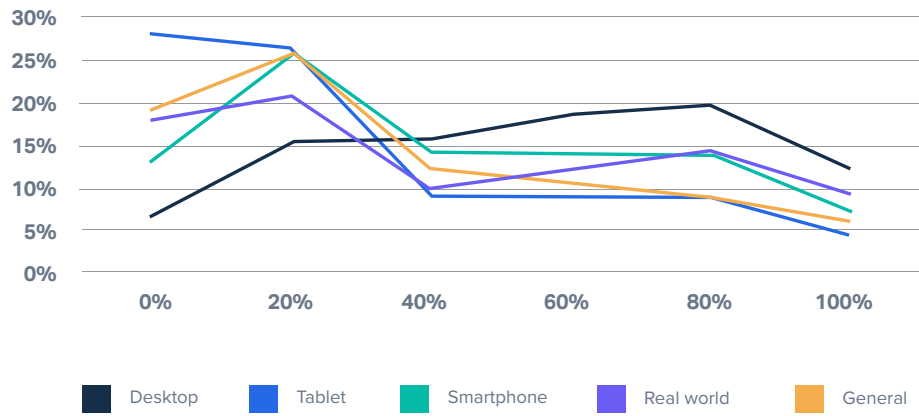
Please indicate how strongly you disagree or agree with the following statements:



About a third of employees in large companies (over 5,000 employees) felt their customer experience wasn't good. Alternatively, smaller companies were less likely to feel the customer experience was suffering, with only 16% of small companies (under 11 employees) noting their customer experience wasn't great.



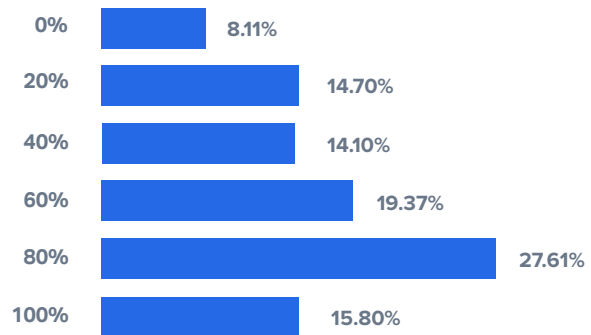
**About what percent of your user research is focused on the following:**



Surprisingly, the desktop continues to be the most-studied platform. 55% of respondents said that their organization conducts 80% or more of its customer experience research on desktop sites and desktop apps.

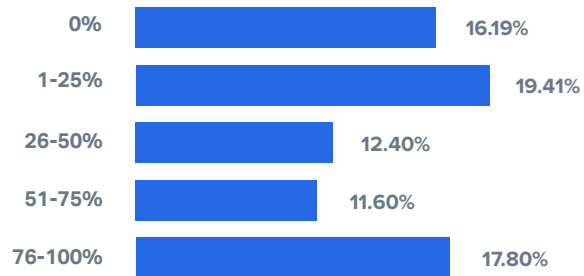
Considering the prevalence and use of mobile devices, this may indicate that some companies are still a bit behind the times with their strategies, highlighting the need for organizations to commit to more structured customer insights programs.

**What percentage of your organization's user testing is done remotely/online?**



**What percentage of your organization's remote user testing is moderated?**

Of the online research, about half is moderated (live) while the other half is recorded.



Some charts may not add up to 100% due to rounding, skipped answers, and respondents answering, "I don't know."

# Conclusion

This year we've seen a strong shift in thinking when it comes to customer experience research. What was once a strategic advantage is now a necessary part of every business decision. What was once a function of a specialized few employees, is now being democratized and spread out across all departments and roles throughout organizations. The challenges companies are facing have transitioned from convincing teams and stakeholders of the importance of CX research to finding ways to effectively integrate continuous human insights into daily processes.

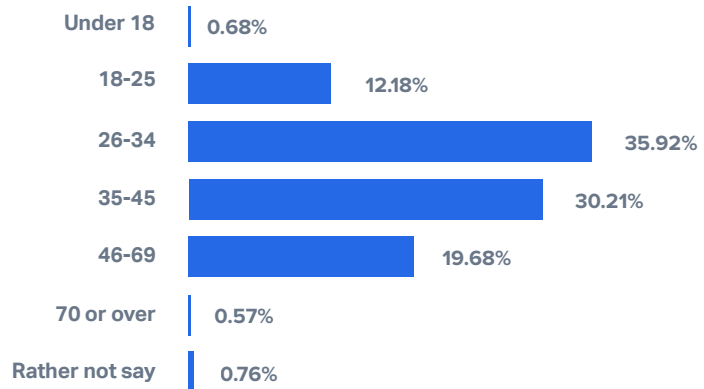
Everyone, from executives to individual contributors, is on board with the importance of improving the customer experience. What's missing, however, is a clear understanding of who's ultimately responsible for customer experiences. There's also a large disparity in the perception of how well organizations are executing on creating great experiences, as executives were far more likely to report that their company provided good CX than individuals in Product, Marketing, and Design/UX teams.

This indicates that customer experience research may have reached a new stage of growth at many organizations. Companies are deploying CX research solutions company wide to keep up with the demand for insights and create a customer-centric culture across departments and roles. The growth over the past five years has been strong. Companies are now reaching a point where they have a solid understanding of the value of human insights and are actively working to implement human insights into everyday decisions, processes, and culture.

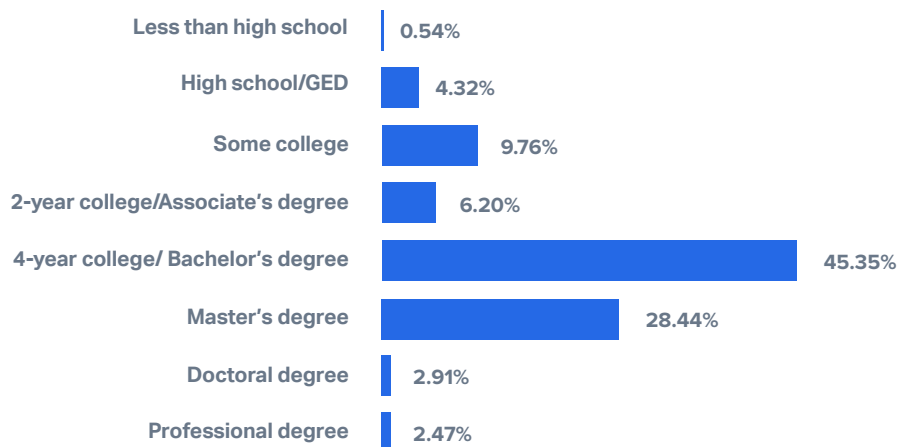


# Appendix

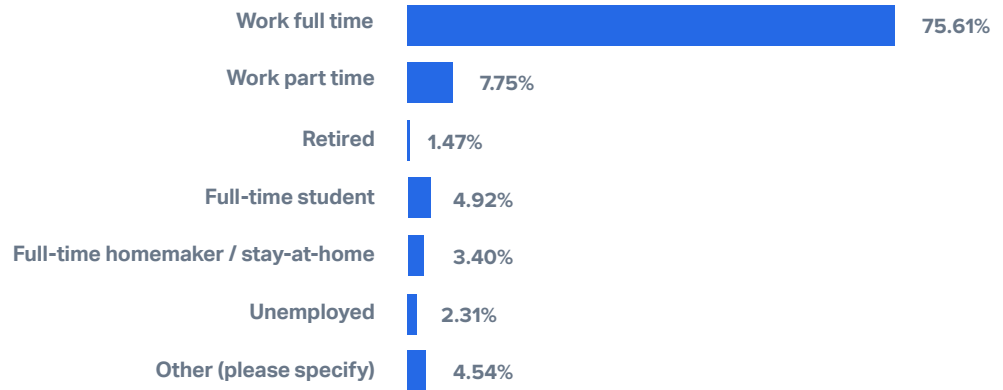
## What is your age?



## What's the highest level of education you've achieved?

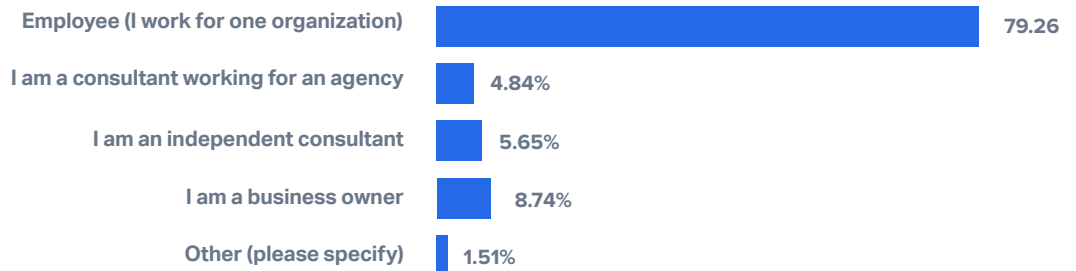


### Which of the following best describes your current work status?



\*Note: People who aren't working were excluded from most of the study, since we wanted to focus on workplace activities and attitudes.

### Which of these choices best describes your role?



## About UserTesting

UserTesting enables every organization to deliver the best customer experience powered by human insights. With UserTesting's on-demand human insights platform, companies across industries make accurate customer-first decisions at every level, at the speed business demands. With UserTesting, product teams, marketers, digital and customer experience executives confidently and quickly create the right experiences for all target audiences, increasing brand loyalty and revenue. UserTesting delivers human insights to over 35,000 customers, including the top 10 largest web properties, and is backed by Accel and OpenView. UserTesting is headquartered in Mountain View, CA. To learn more, visit [www.usertesting.com](http://www.usertesting.com).



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