2023 STATE OF THE CX NATION

Setting the benchmark for customer experience in Australia

AUTHORS

Liz Harley
Lance Webb

ASHTON MEDIA

Ipsos

WELCOME TO THE INAUGURAL 2023 STATE OF THE CX NATION REPORT PRODUCED BY IPSOS IN PARTNERSHIP WITH ASHTON MEDIA.

If you've ever wondered how your CX strategy and CX maturity compares to other organisations, or whether other businesses are struggling with the same challenges you are, the **State of the CX Nation** report is your opportunity to find out. The report will benchmark the Australian CX industry so organisations can leverage insights to support their critical CX business decisions.

Ipsos, a global strategic research company with customer experience experts, announced a partnership with Ashton Media in March 2023 to conduct Australia's first **State of the CX Nation** industry report. Since then, Ipsos has collaborated with Ashton Media and its network of CX professionals to conduct the research, combining survey data from individuals and organisations across Australia with interviews of CX leaders to provide comprehensive sector insights.

The report focuses on identifying future trends, best practices, challenges facing CX leaders in Australia, and the evolving nature of customer experience. It highlights the growing responsibility for CX in organisations to deliver unique, differentiated, personalised and privacy compliant experiences for customers. It's filled with data, insights from CX professionals and recommendations, to not only show you how your organisation measures up, but to help you meet challenges and identify opportunities for business growth.

"We are extremely excited about the partnership with Ashton Media to conduct the State of the CX Nation research. As researchers and CX enthusiasts, we know our world is changing, we have witnessed seismic disruptions powered by digital and data, the merging of physical and digital environments to 'phygital', which is raising the bar for customer expectations."

"Customers now compare the experiences they receive not only against direct competitors but also against the likes of Uber, Amazon and Apple. Customers' expectations have become liquid, where new expectations of standards for product and service experience are being created by brands in completely different categories. It was a natural fit to partner with Ashton Media for this new landmark research report which will bring insights relevant to Australia that will help CX leaders make informed future business decisions."

LANCE WEBB Ipsos CX Director ANZ

"Ashton Media is proud to be partnering with leading global customer experience experts Ipsos on this research piece which is unique to the Australian market. Having produced ANZ's leading CX, customer insights and contact centre conferences for more than 10 years, we pride ourselves on delivering unparalleled insights into the CX industry with inspiring speakers, highly targeted content, and the most senior delegations in the region.

"We see the State of the CX Nation report as a natural extension of our conferences, a highly targeted in-depth piece of research that will identify the key challenges facing CX leaders in Australia and highlight the changing nature of customer experience and the growing responsibility of CX within organisations."

TIM STUART-HARRIS Ashton Media Commercial Director & Co-Founder

A GLOBAL PERSPECTIVE

It strikes me that almost every day we are talking about an evolution in Customer Experience (CX). Why is this? Most likely it's an exaggeration but there is also an element of truth to this. CX compared to more established disciplines such as marketing and sales, is still in its relative infancy. This brings with it many unknowns but also much opportunity as it is increasingly apparent that CX matters, it can really make a difference. Companies who get it right reap the financial rewards, with evidence in abundance. But it's difficult to get it right, and there is ample evidence that many CX initiatives fail to deliver tangible results. The last decade, indeed, the last year, has witnessed drastic changes in customer-company interactions, making it even harder for organisations to consistently meet changing customer expectations.

Customers' expectations are continuously increasing. No longer are they satisfied with comparing the experience of their brand within its category. They now want the app from their bank to have the user interface of Netflix, their airline to provide the personalisation of Spotify and their mobile network provider to understand their requirements in the way of their local coffee outlet. These expectations also apply across all channels of interaction. We are fixated on delivering the same consistent level of experience but need to do so whilst understanding that customers see brands as one entity and not as a series of delivery channels.

Add into the mix the opportunity (and uncertainty) that AI brings and the importance for the majority of customers that organisations behave in a way that is environmentally and socially responsible, it is clear that meeting and exceeding the customers' expectations is becoming increasingly more complex. Gone are the days where delivering a functional experience will suffice.

Understanding that customers seek, even desire, an emotional connection with the brands that they use is fundamental to being able to design and deliver great experiences.

At Ipsos, we have the privilege of working with an extraordinary mix of clients, across the world. We help them get these experiences right so that ultimately, they may deliver ROCXI, a Return on their Customer Experience Investment, by driving up retention, share of spend, advocacy and, of course, enabling them to do so in an operationally efficient fashion. By doing this we help guide our clients on how to deliver better customer experiences that in turn deliver better business outcomes.

I'm delighted that we are able to share this first State of the CX Nation report for Australia. I hope you find it insightful and enjoy reading it as much as we did putting it together.

BEN LLEWELLYN
Ipsos Global Director
of Customer Experience

FIVE KEY TAKEAWAYS

#1 The Topline

CX matters. It's more than just a catchword - it can really make a difference. Companies who get it right reap the financial rewards with evidence in abundance, but it's difficult to get it right. There are many challenges and competing priorities and yet the investment in customer experience strategy and initiatives is experiencing significant growth and transformation as companies recognise the value of delivering exceptional customer experience.

#2 Challenges

One of the top challenges faced by CX professionals is how to cultivate a "customer first" culture within their organisations. It's an ongoing journey to instil the values and mindset needed to consistently prioritise the needs and desires of customers.

And one of the hottest topics in the world of CX is alignment. Should organisations focus on brand strategy, customer experience strategy, or find a way to align both? Should offline and online touchpoints be synchronised to create seamless omnichannel experiences? And who takes the lead on shaping the customer experience - the Sales team or Marketing?

83% of CX professionals agree that aligning brand and customer experience strategies is critical. This finding highlights the importance of creating synergy between the two elements for enhanced customer satisfaction.

#3 Work to do

Only 20% of CX professionals say their organisations are consistently incorporating customer feedback into their product and service design. Encouragingly though, two-thirds claim that the CX team in their organisation is collecting customer feedback on critical incidents and take steps to respond directly to customers. But here's the big question - what happens to the other third?

CX professionals are coming under increasing pressure to prove the causation - not just correlation between CX and ROI to secure budget. While CSAT and NPS remain the more popular metrics, half of those interviewed in the survey also feel that a lot of CX benefits go unmeasured. As a result, CX professionals and organisations are seeking alternative ways to measure their CX initiatives and prove ROCXI.

#4 Turning point

Only about half (45%) of those surveyed for this report agree that their organisation has a well-defined CX strategy and future strategic roadmap. The maturity of CX within organisations still has a lot of room to grow. So, where does your organisation stand on the CX Maturity framework? Are you at the Foundation, Practiced, or Leading level? Interestingly, only 4% of CX professionals surveyed consider their organisation to be at the Leading level. But don't be discouraged! Remember, "Wherever you are, start from there."

#5 Future State

Looking to the future, we asked our CX professionals surveyed in the report to identify which areas they plan to invest in to achieve their strategic goals in 2023/ 2024. The top three areas they intend to focus on truly emphasise the importance of leveraging existing resources and gaining a deeper understanding of customer journeys to minimise the effort required for customers to engage with and enjoy a brand or service.

1. Data and analytics

2. Customer loyalty and retention

3. Customer journey mapping

This is now overlayed with the advance of Generative AI which it is agreed, among CX leaders, will have a significant impact on how the customer experience will be delivered and measured in the future.

CURRENT STATE & CHALLENGES

The overriding positive news is that companies in Australia are **increasingly recognising the importance of delivering exceptional customer experiences as a critical factor** to create a tangible point of difference that can build brand loyalty and drive business growth.
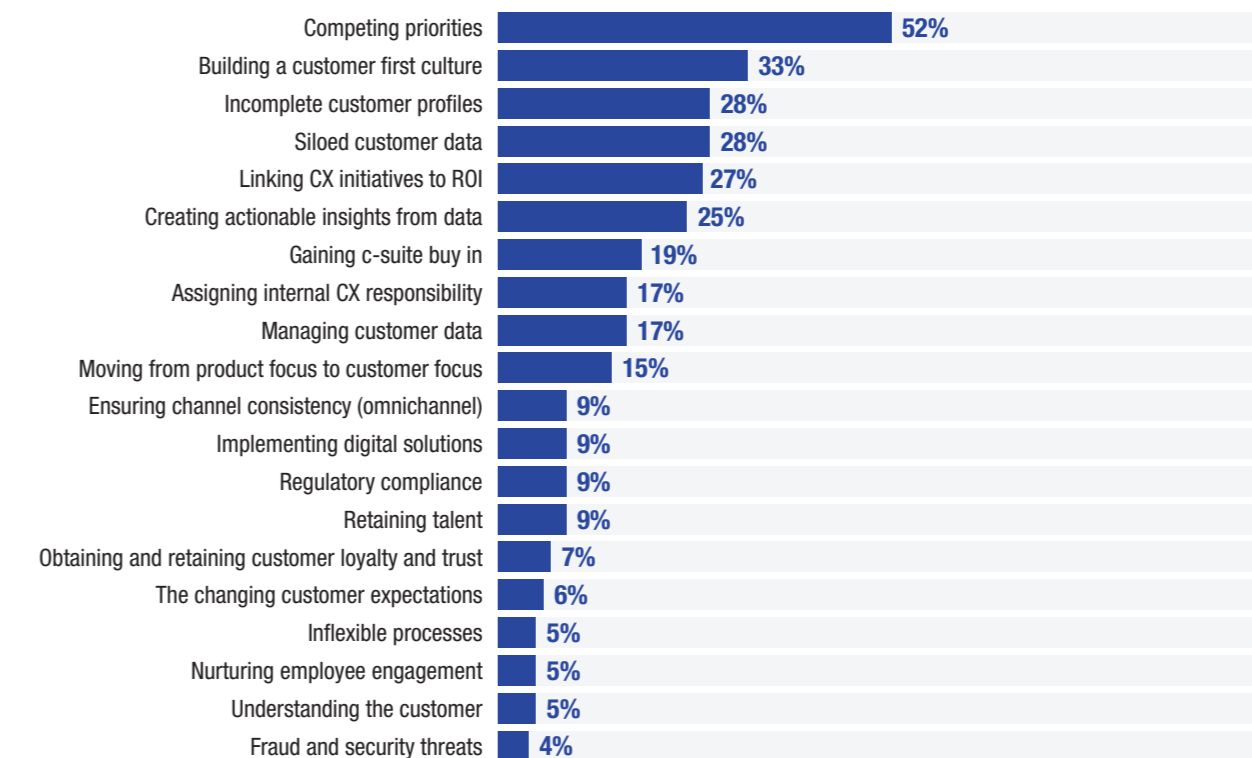
The job of the Customer Experience (CX) professional and the role of Customer Experience in organisations is evolving rapidly driven by changing consumer expectations and advancements in technology. In particular, the rise in the adoption of digital channels by customers especially since COVID across websites, mobile apps, and social media platforms has accelerated the development of innovative solutions to provide seamless and personalised experiences across these channels. Many companies are also leveraging technologies like generative AI, chatbots, and data analytics to gain insights into customer preferences and behaviours, enabling them to deliver tailored experiences at every touchpoint.

2023 is proving to be another testing year for the business community and not surprisingly the number one challenge for CX professionals is how to manage competing priorities! The three biggest challenges can be themed as; a greater need than ever to build a customer first culture with 'buy in from the top'; resolving data issues; and linking CX initiatives with actionable insights. It's an ongoing journey to instil the values and mindset needed to consistently prioritise the needs and desires of customers.

> "CX used to be an input to marketing but now it is completely flipped and CX forms the strategy"
>
> Healthcare

Top challenges for CX professionals

Challenge	%
Competing priorities	52%
Building a customer first culture	33%
Incomplete customer profiles	28%
Siloed customer data	28%
Linking CX initiatives to ROI	27%
Creating actionable insights from data	25%
Gaining c-suite buy in	19%
Assigning internal CX responsibility	17%
Managing customer data	17%
Moving from product focus to customer focus	15%
Ensuring channel consistency (omnichannel)	9%
Implementing digital solutions	9%
Regulatory compliance	9%
Retaining talent	9%
Obtaining and retaining customer loyalty and trust	7%
The changing customer expectations	6%
Inflexible processes	5%
Nurturing employee engagement	5%
Understanding the customer	5%
Fraud and security threats	4%

Question: **What are the 3 biggest challenges you are currently facing in your role?**
Source: 2023 State of the CX Nation survey

3 KEY PRINCIPLES

As well as identifying the key challenges facing CX professionals in their organisations, we also asked them to provide their opinion on three leading issues in CX strategy;

1. To what degree should the brand experience be aligned with customer experience?

2. What their opinion is on how online and offline touchpoints are combined?

3. Should sales and marketing channels converge?

The vast majority clearly think that the brand and customer experience should be closely aligned with 83% stating that aligning the customer experience with the brand promise is critical.

Almost all our survey agreed that brands need to be thinking Omnichannel, a customer does not distinguish between "offline and online". It is just a brand with different touchpoints to them.

Similarly, the sales and marketing channels have converged and it's all about walking in the shoes of customers, getting closer and closer to delivering personalised experiences.

> "Back then [pre-COVID], no-one paid attention to customer support. But has now proven how important CX is to the company"
>
> Retail

Customer experience aligns with brand promise
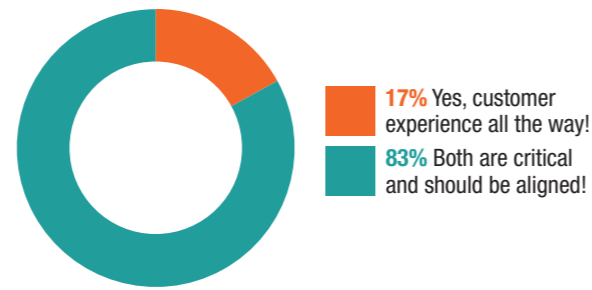
17% Yes, customer experience all the way!

83% Both are critical and should be aligned!

Question: Thinking about the industry and organisation in which you work, please indicate whether you agree or disagree; customer experience matters more than brand promise?
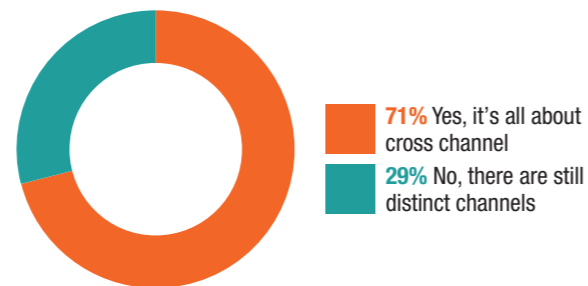Source: 2023 State of the CX Nation survey

"Offline" and "online" align for omnichannel
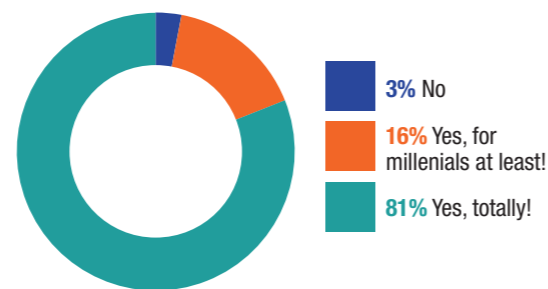
3% No

16% Yes, for millenials at least!

81% Yes, totally!

Question: Thinking about the industry and organisation in which you work, please indicate whether you agree or disagree; there is no longer "offline" and "online"; a customer isn't thinking about where they are, it is just a brand with different touchpoints to them?
Source: 2023 State of the CX Nation survey

Sales channels and marketing channels converge; no longer separated

71% Yes, it's all about cross channel

29% No, there are still distinct channels

Question: Thinking about the industry and organisation in which you work, please indicate whether you agree or disagree; sales channels and marketing channels are converged; no longer separated?
Source: 2023 State of the CX Nation survey

CLOSING THE LOOP

Another challenge highlighted by CX professionals is how to manage the flow and interaction of information around an organisation; linking initiatives and feedback from customers to the right people at the right time to take the right action. This is often referred to as Closed Loop Feedback.

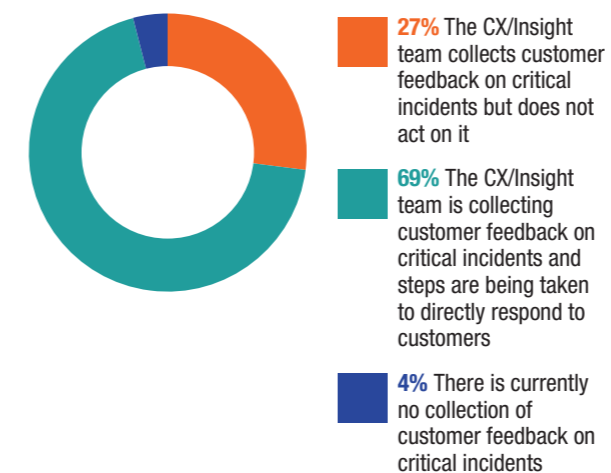From the results of the survey, only 20% of organisations consistently incorporate customer feedback into their product and service design. Encouragingly though, 69% claim that the CX team in their organisation is collecting customer feedback on critical incidents and taking steps to respond directly to customers. But here's the big question - what happens to the other third? So the loop is a bit off centre – more organisations need to work towards an insight ecosystem which is fully integrated and blends structured and unstructured, solicited and unsolicited customer data with operational data.

Voice of Customer - Closed Loop Feedback
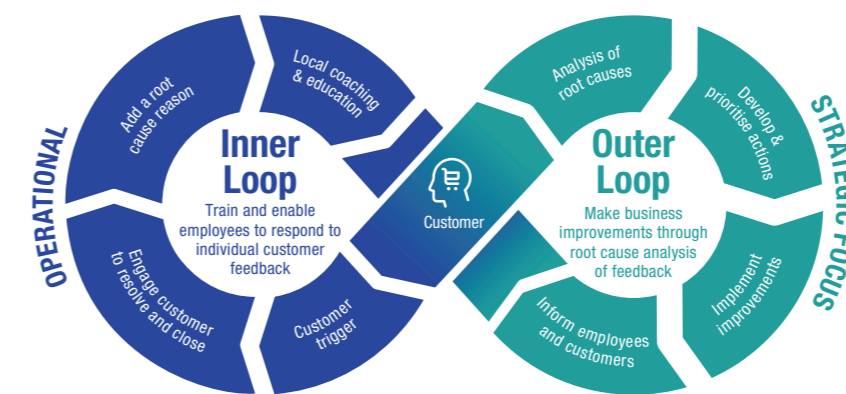
A continuous, engaging and powerful Voice of Customer program should drive change, both at a tactical/operational level (CLF with dissatisfied customers on a daily basis) and at a strategic level (identifying root causes of pain points for customers and addressing the processes to improve the customer journey).

Closed Loop Feedback or 'Closing the Loop'

27% The CX/Insight team collects customer feedback on critical incidents but does not act on it

69% The CX/Insight team is collecting customer feedback on critical incidents and steps are being taken to directly respond to customers

4% There is currently no collection of customer feedback on critical incidents

Question: Please pick the statement that best reflects your company's current situation.
Source: 2023 State of the CX Nation survey

Voice of Customer integration

64% There is some knowledge of customer journeys and profiles

20% The Voice of Customer is brought into all product and service design.

16% Target operating models are well established, detailed and journey centric.
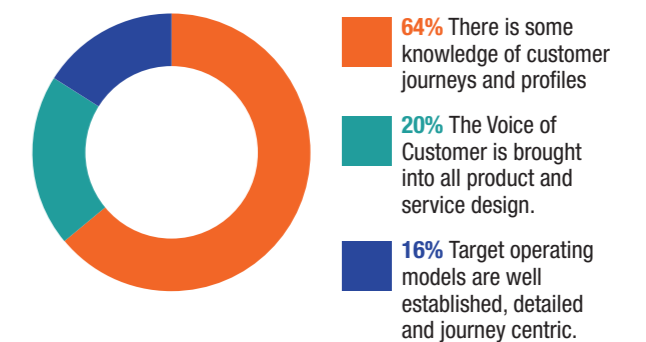
Question: Customer understanding, would you say that you are:
Source: 2023 State of the CX Nation survey

CHOOSING THE RIGHT PLATFORM

Platforms are an important aspect of how data especially for Voice of Customer or Voice of Employee type programs is collected, shared and actioned within an organisation. While this was not part of the survey, Ipsos thought it remiss not to offer a POV (based on our extensive implementation experience) on choosing the right CX platform.

On the surface, technologies can appear to do the same thing. Take time to "Inspect under the hood" and ensure the platform selected stands up to scrutiny.

When looking at the broader perspective, there are three key factors to consider:

1	Functionality: What is needed today versus what's on the roadmap	What is the organisations level of CX maturity, ambition and intended pace of change? Make sure the tech has sufficient bandwidth for this to be a future proofed solution (at least for the next 3-5 years).
2	Commerciality: Based on scope, what is the Y1 investment and total contract liability?	Platform providers have unique ways of pricing, make sure to build in features the business intends to adopt in the short term so there are no additional licencing surprises.
3	Brand Fit: How does the vendors purpose, culture, vision and values align with the organisation?	Think about how this solution will integrate with existing technologies and how it will be adopted by key users.

When looking at the practical aspects, there are three factors to consider:

|		
1	Signal capture	Be clear about what is needed now in capturing solicited and unsolicited, structured and unstructured data.
2	Reporting	Think about key audiences and stakeholders in the business and the data they need to access.
3	Insight activation	Model how closed loop feedback workflows will integrate with existing processes.

MEASURING SUCCESS

This leads us directly to the important issue of how investment in CX strategy initiatives is measured? What is the best way for an organisation to prove ROI and set themselves up for success? While organisations do realise that significant investment is required in strategies, tools, and technologies to keep on top of these challenges, 68% of the CX professionals in the report are coming under increasing pressure to prove the link between CX and ROI to secure budget. 55% agree that CX is like 'a fish out of water' without demonstrable ROI. But half of those interviewed in the survey also feel that a lot of CX benefits go unmeasured.

> "We are experiencing more scrutiny on ROI – this is a clear hurdle for CX initiatives. In our business, correlations don't cut it – they want to see causation data"
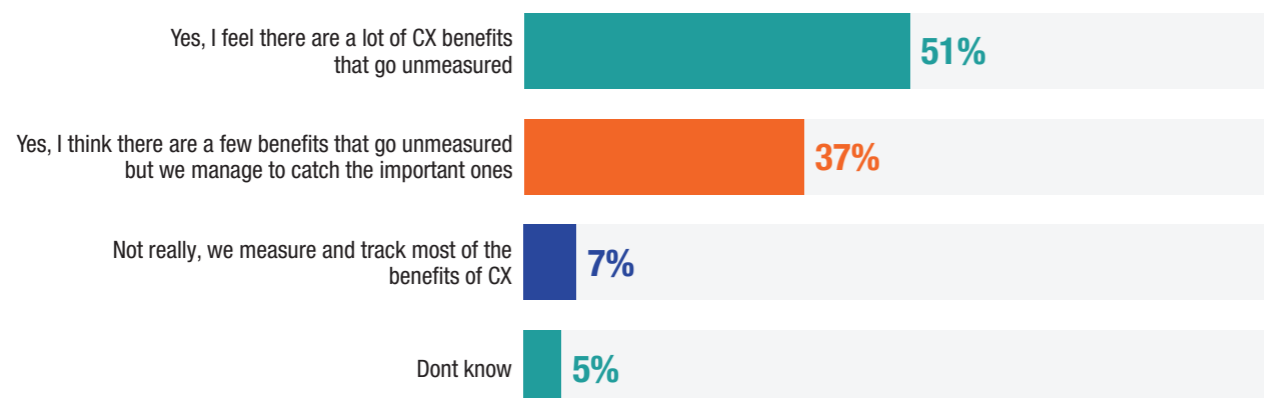>
> Insurance

Pressure to prove ROI

Increasing	68%
Staying the same	27%
Decreasing	1%
Unsure	4%
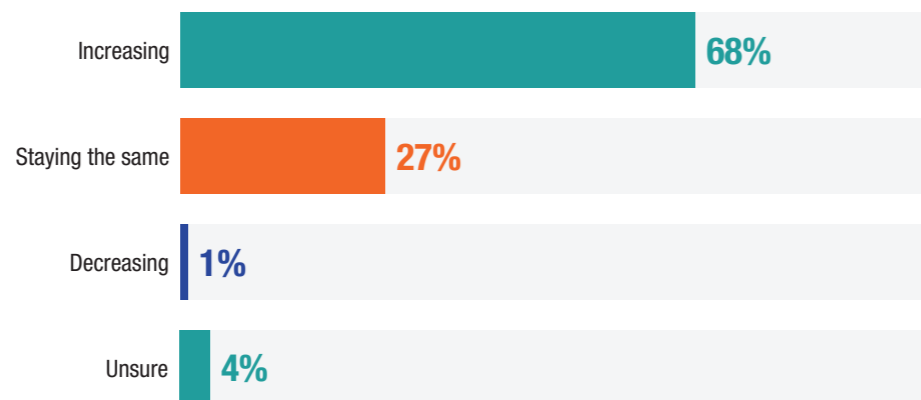
Question: In order to secure your required CX budget and/or resources, the pressure to prove ROI is…
Source: 2023 State of the CX Nation survey

Benefits from CX measured

Yes, I feel there are a lot of CX benefits that go unmeasured	51%
Yes, I think there are a few benefits that go unmeasured but we manage to catch the important ones	37%
Not really, we measure and track most of the benefits of CX	7%
Dont know	5%

Question: Do you feel your organisation benefits from CX in ways that is unable to be measured?
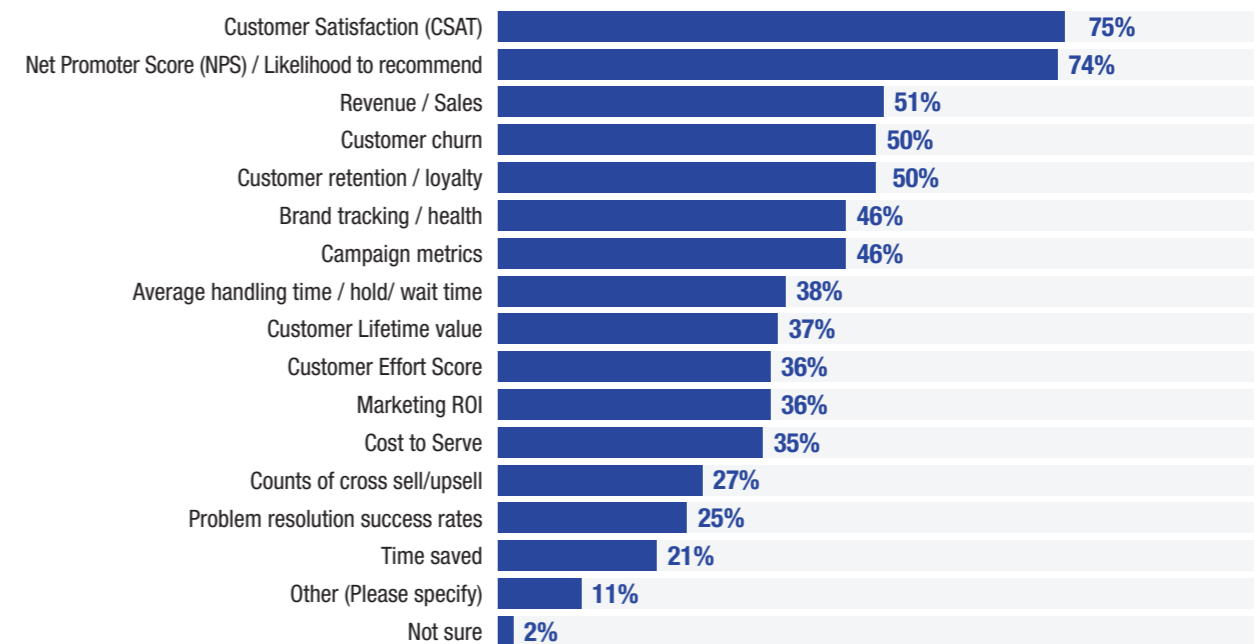Source: 2023 State of the CX Nation survey

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While Customer Satisfaction (CSAT) and Net Promoter Score (NPS) remain the more popular metrics to illustrate the benefits from CX initiatives and CX experiences, CX professionals and organisations are seeking alternative ways to measure their CX initiatives and prove causation not just correlation, for ROCXI (Return on CX investment).

CSAT and NPS are the most popular as they are generally easy to understand, easy to measure and are often linked to performance. Among the more CX mature organisations they are using and developing more tangible metrics such as customer effort and customer retention.

Benchmarking is another way to measure success. An important point to note however, is when comparing metrics with other organisations you need to look beyond your own sector. The customer does not necessarily judge your organisation just within the sector they are interacting with, they also compare across sectors where they have received great customer experiences and have mental benchmarks to influence their purchasing behaviour. This is called liquid expectations and is important for an organisation to acknowledge and constantly review.

> "We use CSAT but we are moving away from NPS. In our organisation we have introduced a Trust measure, asking customers, staff members and stakeholders these questions. We are also looking to introduce a customer effort score - very important for digital transformation"
>
> Utilities

CX metrics most often used in organisations

Customer Satisfaction (CSAT)	75%
Net Promoter Score (NPS) / Likelihood to recommend	74%
Revenue / Sales	51%
Customer churn	50%
Customer retention / loyalty	50%
Brand tracking / health	46%
Campaign metrics	46%
Average handling time / hold/ wait time	38%
Customer Lifetime value	37%
Customer Effort Score	36%
Marketing ROI	36%
Cost to Serve	35%
Counts of cross sell/upsell	27%
Problem resolution success rates	25%
Time saved	21%
Other (Please specify)	11%
Not sure	2%

Question: Which metrics do you use to illustrate the benefits from CX initiatives and customer experiences?
Source: 2023 State of the CX Nation survey

GENERATIVE AI

While it is still early days in AI it is generally agreed, by the CX leaders interviewed for the report, that AI will have a significant impact on customer experience. Organisations are actively experimenting and playing with it.

Some examples include:

A recently completed pilot on natural conversation SMS. The CX team of one organisation consulted with vendors to understand what a good customer experience would look like and have now developed a personalised SMS program using AI.

AI success with retaining customers: this team implemented a behaviour science system that uses AI to identify customers at risk and recommend appropriate treatments. This program has been successful with a 4 to 1 return. The organisation is actively listening to customers through surveys to adapt to market changes.

> "AI definitely has a role to play but reports and insights need to have a human lens"
>
> Healthcare

Many are planning to use AI within their organisations first, to gather insights, rather than for customer facing interactions. It was pointed out that it is crucial to have good customer data for AI to be effective, as AI is only as good as the data it has access to. Currently, data management is one of the top challenges cited by CX professionals so there is a lot of work to be done here.

Overall, CX leaders are excited about the future potential of AI but it is seen as both a risk and a huge advantage, if implemented correctly. The ethical implications of AI are a big debate, but it is seen as an important tool that can enhance both customer and team member experiences.

Smaller organisations, in particular, could be the beneficiary of using AI if they have a large customer database but limited staff, AI can do the 'heavy lifting' and provide the opportunity to easily expand and grow with targeted campaigns and customer support.

CX leaders do not see AI as a threat to jobs but rather as an enabler for the work in customer experience. There is no doubt that AI will be used extensively in the future, it is here to stay – forever. Generative AI is expected to change the way we work, and AI will accelerate how we serve customers better.

> "We will use AI to make our ways of working more efficient, but you'll always need a person to humanise the experience"
>
> NFP Organisation

BUILDING A CUSTOMER FIRST CULTURE FOR GOOD GROWTH

CX matters. It can really make a difference and companies who get it right reap the financial rewards with evidence in abundance. But it's difficult to get it right and therefore, it's no surprise that building a 'customer first' culture is a top challenge for CX professionals and business leaders.

With only about half (45%) of those surveyed for this report agreeing that their organisation has a well defined CX strategy and future strategic roadmap, a lot of organisations are yet to optimise what the full potential of CX can mean for a business. In other words, **the degree of CX maturity within organisations is not where it could be**.

What do we mean by this? CX maturity refers to the level of advancement or development of a company's CX strategy and practices. It is a measure of how well an organisation can effectively understand, manage, and optimise the experiences it delivers to its customers across various touchpoints.

At Ipsos, we define the degree of CX maturity on three levels: 1. Foundation, 2. Practiced and 3. Leading

CX Maturity Framework

LEADING
PRACTICED
FOUNDATION

Foundation: CX is delivered in silos meaning the delivery of experiences is randomised.

Practiced: CX is an active part of the business meaning the experiences delivered are as intended.

Leading: CX permeates all areas of the business meaning the experiences delivered are differentiated in your marketplace and beyond.

A company at the **Foundation** level of CX maturity may have a fragmented approach to CX, with limited understanding of customer needs and preferences. They may lack a formal CX strategy or the necessary processes and technologies to deliver consistent and personalised experiences.

CX Maturity Profile

	Organisation	Sector
Foundational: Basic level CX functions, some CX strategy and measurement in place	55%	56%
Practiced: A strong CX function backed up by expertise, insight and analytics	41%	41%
Leading: CX obsessed, customer and journey centric culture, advanced analytics in place	4%	3%

■ Organisation   ■ Sector

Question: Thinking firstly about your organisation, then sector, which of these descriptions best describes (or most closely matches) the current state of your organisation and sector with respect to CX?
Source: 2023 State of the CX Nation survey

On the other hand, a company at the **Leading** level of CX maturity has a well defined CX strategy integrated into its overall business strategy. They have implemented robust customer feedback mechanisms, use data analytics to gain insights into customer behaviour, and have optimised their processes to deliver seamless and personalised experiences. These organisations prioritise customer centricity and continuously strive to improve their CX offerings.

Interestingly, only 4% believe that either their organisation or most organisations in their sector are in a Leading position of CX maturity.

LEADERSHIP & GOVERNANCE

In our research for this report, we have interviewed CX professionals from a wide range of sectors and they say if organisations want to progress on the CX maturity spectrum from 'Foundational' to' Practiced' to 'Leading', and truly deliver exceptional customer experiences **the CX team need to move from the 'sidelines' to be fully integrated and aligned at the centre of the business.**

> "Where the CX team is entirely separate to marketing there isn't a strong connection in the business and to the central business strategy"
>
> Insurance

Furthermore, to be at a Leading level the organisation needs to have a champion at board level who can lead and influence the strategic direction of the company with the power and authority to fully integrate the CX strategy with the business strategy. Only 1 in 5 organisations say there is a formal CX governance structure with the authority to allocate resources to CX activities. This is reflected in the degree of integration that exists between channels within the business with two-thirds saying that there is partial integration of some channels and data is partially shared, with only 8% saying there is full integration of all channels to deliver a holistic customer experience with data shared across all channels.

> "Team members need to be treated 5 star to deliver 5 star to customers"
>
> Retail

CX Governance

A formal CX governance structure is in place, but there is no clear definition of accountability for CX activities and objectives

48%

There is a formal CX governance structure. The CX governance board has the authority to allocate resources to CX activities. There are clear lines of responsibility and accountability for CX activities and goals

21%
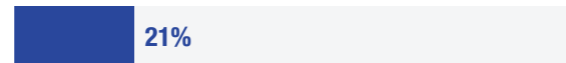
There is no dedicated person or team governing CX
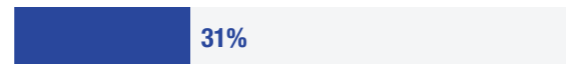
31%

Question: Please pick the statement that best reflects your company's current situation regarding one governance that exists over the customer experience.
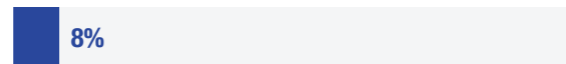Source: 2023 State of the CX Nation survey

CX Integration of Business Strategy

There is a complete division between different channels (i.e., online, in store). Data is not shared between them

24%
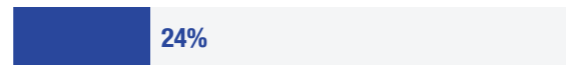
There is a full integration of all channels, to deliver a holistic customer experience. Data is shared across all channels

8%

There is a partial integration of some channels. Data is partially shared

68%

Question: What is the degree of integration that exists between channels in your business. Please pick the statement that best reflects your company's current situation regarding this:
Source: 2023 State of the CX Nation survey

With only 45% saying they have a formal CX strategy (see previous page) and only 21% saying they have an accountable CX governance structure and only 4% of those interviewed believing organisations in their sector are Leading; the maturity of CX within organisations still has a lot of room to grow. But don't be discouraged! Remember, *"Wherever you are, start from there."*

So, where does your organisation stand on the CX Maturity framework? Are you at the Foundation, Practiced, or Leading level?

A recommended action is to take a step back, review the intersectionality of CX leadership, governance and maturity and conduct a CX maturity assessment. **All organisations require seven core competencies and to operate at one of three levels of CX maturity.**

How would you rate your organisation or sector on the following criteria?

Strategy & Sponsorshop
Customer Understanding
CX Insight Ecosystem
Evidence Impact
ESG (Environmental, Social & Governance)
Cultural Enablement
Future State Roadmap
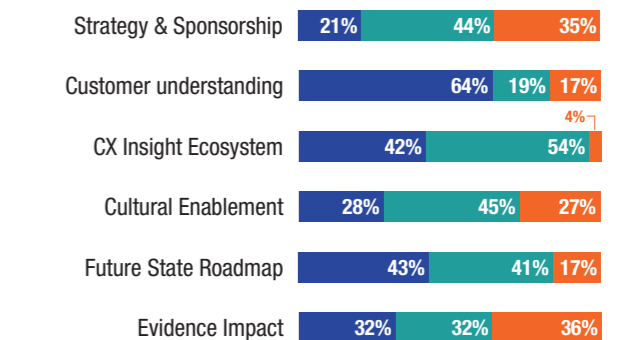
CX Maturity Framework

LEADING
PRACTICED
FOUNDATION

Assessing CX maturity is crucial for businesses as it helps identify areas for improvement and set goals to enhance the customer experience. It allows organisations to understand where they are positioned in terms of CX capabilities and provides a roadmap for advancing their CX initiatives.

The CX professionals in the survey rated their organisations on six of the core competencies on a nominal scale (ESG is captured in a following section) which has been summarised to reflect the Foundation, Practiced and Leading levels of CX maturity. It's worth

noting that while the same CX professionals say that only 4% of organisations overall are at the Leading level, the individual rating of some of the competencies are more encouraging.

- **Strategy & Sponsorship** – a third claim that their organisation has a 'strategy and vision that is fully aligned with customer needs, business needs and brand goals'.

- **Cultural Enablement** – 27% say the 'employees of their organisation regularly use the language of CX and is at the core of the business'.

- **Future State Roadmap** – close to 20% claim their organisation has 'long term strategic roadmaps with supporting investment plans in place to achieve their end state vision'.

- **Evidence Impact** – over a third say their organisation is "always in beta mode" using real customer feedback and real time monitoring of any impact.

CX Maturity Competencies

Competency	Foundation	Practiced	Leading
Strategy & Sponsorship	21%	44%	35%
Customer understanding	64%	19%	17%
CX Insight Ecosystem	42%	4%	54%
Cultural Enablement	28%	45%	27%
Future State Roadmap	43%	41%	17%
Evidence Impact	32%	32%	36%

■ Foundation ■ Practiced ■ Leading

Question: Please tell us at what stage you think your company is for each of these areas of CX Maturity?
Source: 2023 State of the CX Nation survey

If an organisation already has a champion in place, the CX team should work closely with them to accelerate progress towards becoming a Leading organisation. However, if the organisation does not have a champion yet, it is likely to be at the Foundational level and needs to establish a pathway to connect the business and build a customer first culture.
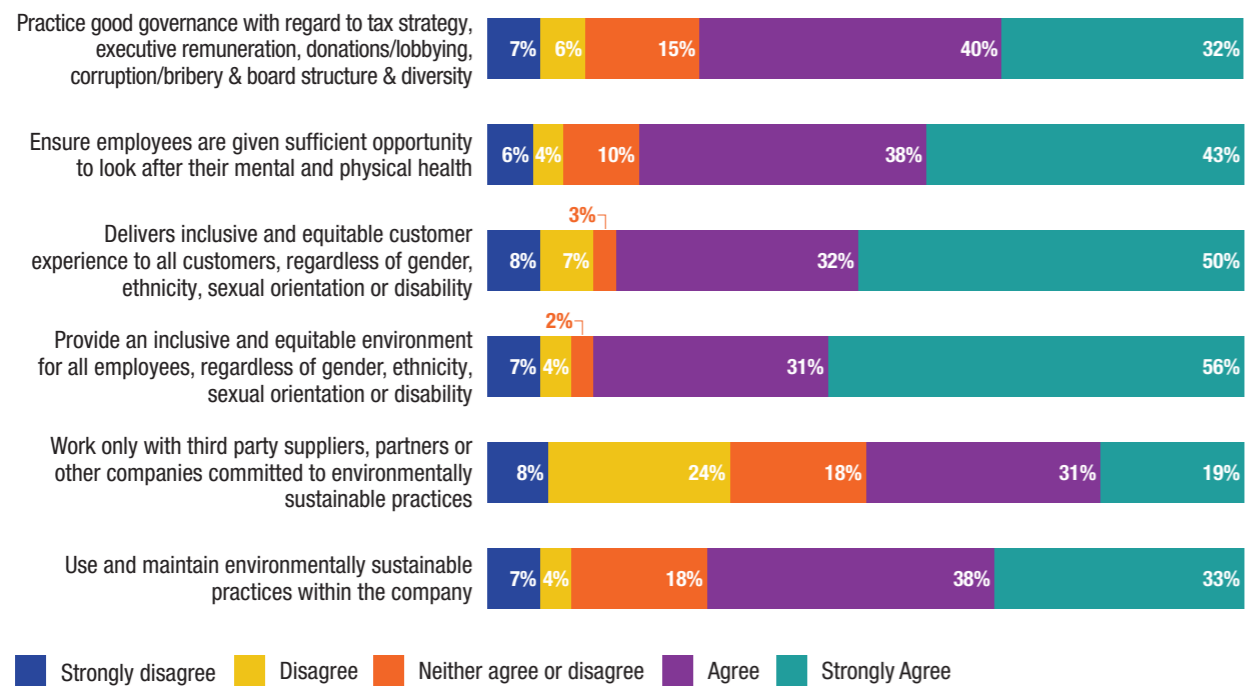
ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

The most recently added core competency to the CX Maturity Framework is ESG (Environmental, Social, Governance) because increasingly organisations are coming under pressure to do business more sustainably. 81% of the Ipsos Reputation Council Member's say that poor ESG performance now has material consequences. As a result, ESG considerations are a key part of companies' strategic plans and roadmaps.

From our State of the CX Nation survey, we asked our CX leaders to tell us what role sustainability (covering social, economic and environmental aspects) plays in their organisations. The results show a varying degree of achievement but overall, a fairly positive outlook and a solid base to work from. The most challenging aspect appears to be ensuring the supply chain is also committed to environmentally sustainable practices.

> "Change can be challenging, and people often resist it, so managing change effectively requires it to be driven from the top of the organisation."
>
> Retail

Role of ESG in organisations

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
Practice good governance with regard to tax strategy, executive remuneration, donations/lobbying, corruption/bribery & board structure & diversity	7%	6%	15%	40%	32%
Ensure employees are given sufficient opportunity to look after their mental and physical health	6%	4%	10%	38%	43%
Delivers inclusive and equitable customer experience to all customers, regardless of gender, ethnicity, sexual orientation or disability	8%	7%	3%	32%	50%
Provide an inclusive and equitable environment for all employees, regardless of gender, ethnicity, sexual orientation or disability	7%	4%	2%	31%	56%
Work only with third party suppliers, partners or other companies committed to environmentally sustainable practices	8%	24%	18%	31%	19%
Use and maintain environmentally sustainable practices within the company	7%	4%	18%	38%	33%

■ Strongly disagree ■ Disagree ■ Neither agree or disagree ■ Agree ■ Strongly Agree

Question: We are interested in knowing about the role Sustainability plays in your business, considering these three key aspects: social, economic and environmental. Does your company…?
Source: 2023 State of the CX Nation survey

To reap the relationship rewards of ESG commitments, brands must be able to ground these efforts within the customer experience to establish a meaningful connection. A recent Ipsos POV paper explored this in more depth and provided three recommendations on what this means for organisations:

1. Going beyond the fundamentals – brands risk being lost in a sea of sustainability sameness if they fail to connect with their customer base beyond ESG fundamentals.

2. Delivering on promises - ESG commitments can be thought of as brand promises, indeed, they are part of the overall brand promise. Brand promises come from marketing and communications activities, what is said or written about brands, and importantly from customers experiences or interactions with brands. These promises set expectations that the customer experience needs to deliver on. If there is a gap between what the brand says, and what it does customer expectations are violated and cognitive dissonance takes place. Our research shows that when CX consistently fails to meet expectations. Customers will most likely:

- Adjust their attitude towards the brand. (Love them less)

- Adjust their behaviour towards the brand. (Stop using or use them less)

Conversely, when the experience consistently reinforces the brand promise, customers are more likely to grow closer to the brand, and use it more in the future. We know from our global CX Voices study that closing the gap between promise and delivery is a top priority for organisations globally (47% agree). When building sustainable initiatives and communicating them brands should consider how they will deliver on their promises and, importantly, avoid accusations of greenwashing.

3. Grounding ESG in experience - When it comes to ESG engagements, it is crucial for organisations to demonstrate, via the experience that the promises made are grounded in reality. Commitments therefore need to be tangible and related to an organisation's offer [and possibly USP] as this puts organisations in a better place to be able to deliver and demonstrate them via the customer experience.

FUTURE STATE

Looking to the future now we asked our CX leaders to identify which areas they plan to invest in to achieve their strategic goals in 2023/2024

The top three areas they intend to focus on truly emphasise the importance of leveraging existing resources, and gaining a deeper understanding of customer journeys, to minimise the effort required for customers to engage with and enjoy a brand or service - especially in digital.
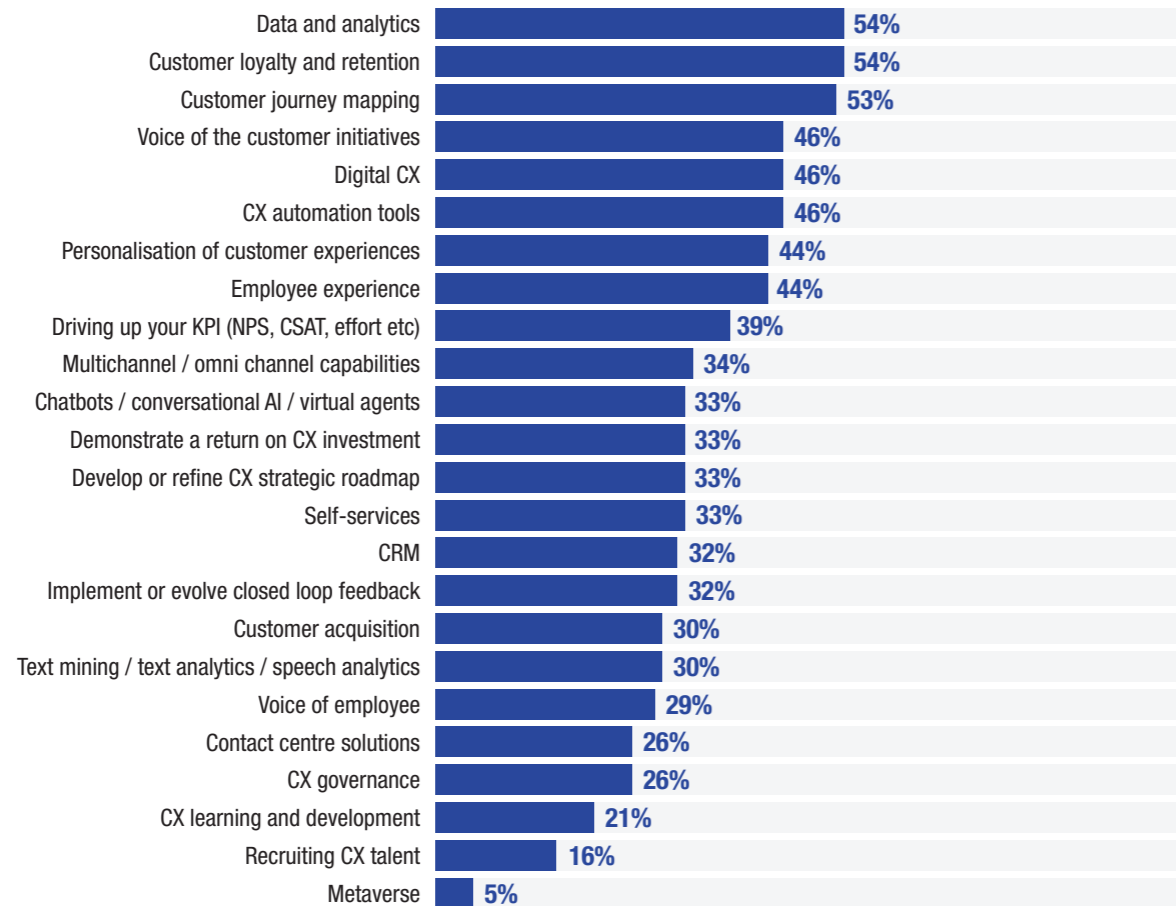
1. Data and analytics
2. Customer loyalty and retention
3. Customer journey mapping

A noteworthy finding is that employee experience is ranked 5th in priority, but we believe this is an area to keep a close eye on.

> "We all own the customer, no matter where you work, you're impacting the customer and there is a customer relying on you doing your job well"
>
> NFP Organisation

Future focus for strategic goals 2023/2024

Data and analytics	54%
Customer loyalty and retention	54%
Customer journey mapping	53%
Voice of the customer initiatives	46%
Digital CX	46%
CX automation tools	46%
Personalisation of customer experiences	44%
Employee experience	44%
Driving up your KPI (NPS, CSAT, effort etc)	39%
Multichannel / omni channel capabilities	34%
Chatbots / conversational AI / virtual agents	33%
Demonstrate a return on CX investment	33%
Develop or refine CX strategic roadmap	33%
Self-services	33%
CRM	32%
Implement or evolve closed loop feedback	32%
Customer acquisition	30%
Text mining / text analytics / speech analytics	30%
Voice of employee	29%
Contact centre solutions	26%
CX governance	26%
CX learning and development	21%
Recruiting CX talent	16%
Metaverse	5%

Question: Which areas do you plan to invest in to achieve your strategic goals in 2023/2024? (Select any that apply)
Source: 2023 State of the CX Nation survey

CONCLUSIONS

Ultimately, leading proponents of customer experience will be recognised for being able to:

1. Implement a business strategy where the employee and customer experience with the brand is the same.

2. Integrate the business, CX and EX strategy to enable prioritisation of where and what to invest in and how to best measure the ROCXI.

3. Connecting across the business...everyone using the same language from the top down

4. Use the research to better organise how the business functions to get the right data to the right people, to take the right actions.

5. Reach out across the organisation with client stories using examples and better metrics to demonstrate not just correlation but causation.

It's a thrilling time for CX investment in Australia, as businesses increasingly recognise the value of delivering exceptional customer experiences. The landscape is undergoing significant growth and transformation as companies embrace digital channels, leverage cutting-edge technologies like generative AI, enhance data analytics capabilities, and prioritise customer journey optimisation, ESG initiatives, and aligning employee experiences with customer needs.

When businesses in Australia continue to prioritise CX, the industry can expect to see further innovation and investment to enhance their CX capabilities and meet the evolving needs and expectations of Australian consumers.

The teams from Ipsos and Ashton Media look forward to meeting you in this space next year for the 2024 report.

METHODOLOGY SUMMARY

The 2023 State of the CX Nation report is based on extensive research conducted between May and July 2023.

In partnership with Ashton Media, the data was collected via a survey sent to CX professionals who attended the Hunter Valley Customer 360 Symposium in April 2023. 160 CX professionals kindly participated and either partially or fully completed the survey. This quantitative research was then supplemented with nine in-depth interviews with CX Leaders in Australia. The report is mainly based on the opinions and lived experiences of these key decision makers working throughout Australia in various sectors including Finance, Insurance, Automotive, Retail, Healthcare, Public Sector, Telecommunications, CPG and Utilities.

In addition to the primary research, the report also includes information from secondary sources such as Ipsos CX experts, Ipsos POVs (Points of Views) and Whitepapers. The report also benefited from informal conversations with numerous CX, Insights, and Contact Centre professionals.

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Liz Harley
Managing Director
Liz.Harley@ipsos.com
+61 418 698 515

Lance Webb
Director & Service Line Leader
Lance.Webb@ipsos.com
+64 212 888 164

ipsos.com/en-au
linkedin.com/company/Ipsos-Australia
twitter.com/IpsosAustralia