

The Blueprint to Total Experience

Achieving experiences
that are 'beyond the frame'



The personalization imperative

As the world enters the next digital era, personalized and scalable experiences—for consumers, employees and other users—are vital for the competitive success and long-term growth of firms. But delivering experiences in line with the expectations of today's switched-on users is no easy task. Many firms struggle to deliver experiences in a consistent, personalized and scalable way.

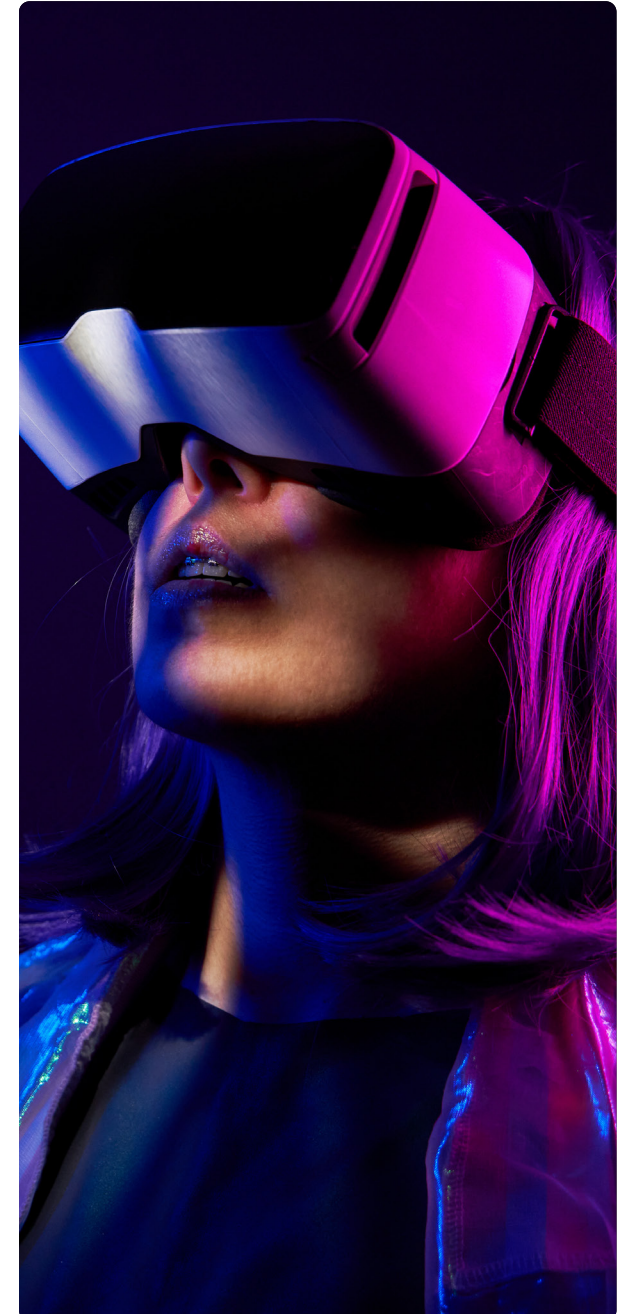
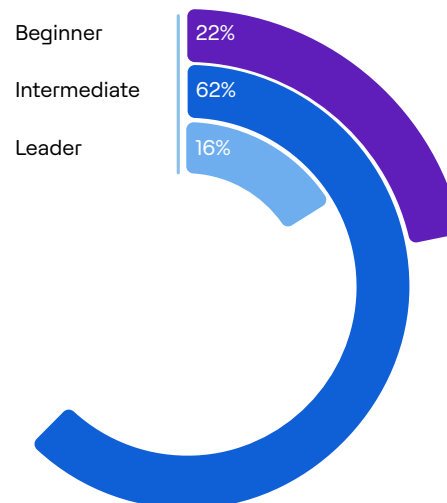
To better understand best practices in delivering personalized and scalable human experiences, we evaluated 600 senior business and technology leaders from Europe, the US and APAC and the strides they are making across industries in five pivotal domains of experience:

1. **Customer experience (CX)** — The experience of customers throughout their buying journeys and relationships with a company
2. **Employee experience (EX)** — Encompassing the totality of interactions an employee encounters within an organization
3. **User experience (UX)** — The digital experience of users as they interact with products and services
4. **Multi-experience (MX)** — Cultivating a cohesive user environment amidst a gamut of devices and platforms
5. **Total experience (TX)** — Designing and delivering exceptional experiences in a holistic and integrated way for employees, customers and users across multiple channels

Experience leaders vs. others

Our research identified a cohort of companies—defined as experience leaders—that are most advanced in implementing experiences across all five dimensions. These leaders prioritize the delivery of exceptional experiences to all enterprise stakeholders across all touchpoints, including in-person, online and beyond. And a leader goes a step further by integrating the various types of experience into the holy grail of experience: Total Experience.

According to our framework, leaders account for 16% of our sample. Most firms, 62%, are classified as intermediates, which focus on crafting experiences for select stakeholders but lack the seamless integration seen among experience leaders. The remainder, 22%, are categorized as beginners. These entities are still in the early stages of prioritizing stakeholder experiences with minimal integration.



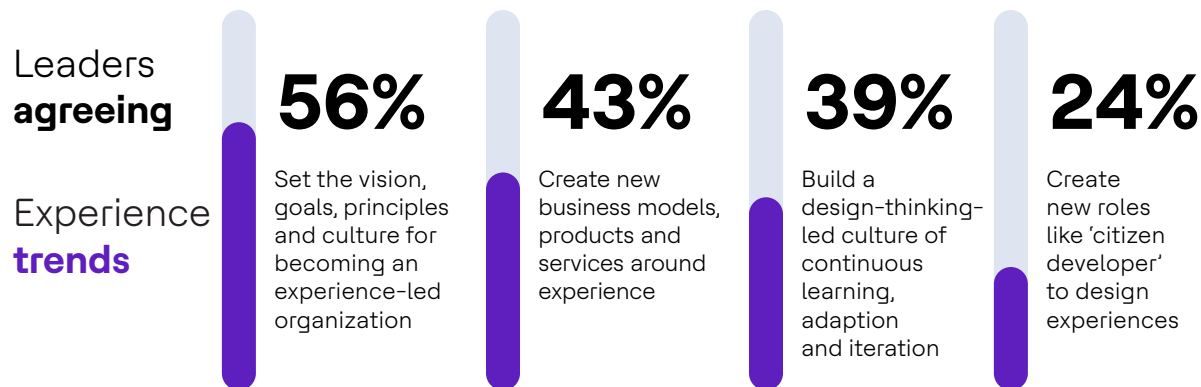
Trends reshape the experience landscape

Advances in technology and rising expectations for digital experiences are propelling businesses to take experiences to the next level to drive growth and competitiveness. To succeed, firms need to create experiences that are personalized, emotionally connected, purpose-driven, participatory, immersive, sensorily enriched and integrated across multiple channels and devices.

This seismic shift in experience expectations is borne out by the views of experience leaders in our survey: almost two-thirds agree that customers expect seamless shopping experiences across multiple channels, such as in-store, social media, online and through smartphones. Well over half of the leaders agree that personalized and scalable experiences will increase the emotional impact on customers, employees and users.

Experience leaders are taking various steps to address the experience imperative. Fifty-six percent are setting the vision, goals and culture to become experience-led organizations. More than 40% are creating new business models, products and services around experience. And 39% are building a design-thinking-led culture of continuous learning, adaptation and iteration, while 24% go further by creating "citizen developer" roles.

Jason Sabshon, Director of Information Technology of Global Industrial, a wholesale and retail manufacturer, sees experience as the ultimate competitive differentiator. "If we've learned anything over the last couple of years, it is that it's all about experience for everyone. Much of what we sell are commoditized products. Experience gives our customers a reason to buy from us."



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Expectations of experiences are being transformed by the generational shift, especially coming from younger generations who have high expectations of personalization from their use of social media, mobile and other technologies. So, consumers are getting educated in the social online world where the amount of personalization is greater than anything we've seen before.”



Ashish Kumar Gupta
Chief Growth Officer, Europe and Africa, Diversified Industries
HCLTech

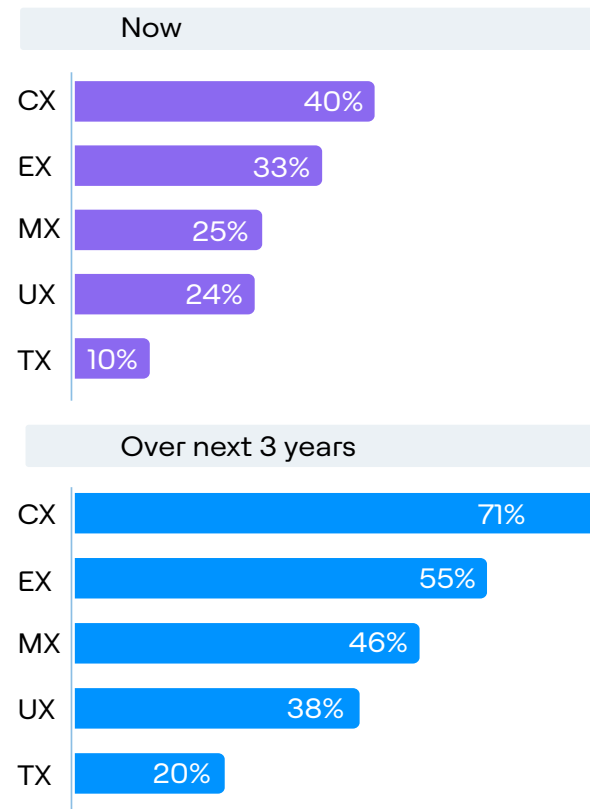
Experience is still a work in progress

To date, most enterprises have made limited progress in implementing different types of experience. Many struggle to deliver experiences in a personalized and scalable way. As firms strive to upgrade experiences, they must overcome a maze of organizational, process, data and technological challenges.

While 40% have fully or largely implemented CX, only a quarter have done so for MX or UX. Even fewer (10%) have woven these different areas of experience into total experience. By industry, consumer and financial firms are ahead across all the areas of experience, particularly CX, while energy and utilities tends to be furthest behind.

However, over the next three years, firms will move rapidly along the experience curve. More than 7 in 10 expect to have fully or largely implemented CX, while 55% will be in a similar stage for EX. MX and TX, the trickiest forms, will remain relatively undeveloped, except among experience leaders.

Firms fully or largely implementing experience



The experience gap



Fueling growth and efficiency across the board

When managed effectively, personalized and scalable experiences can drive stronger financial, strategic and operational performance for companies.

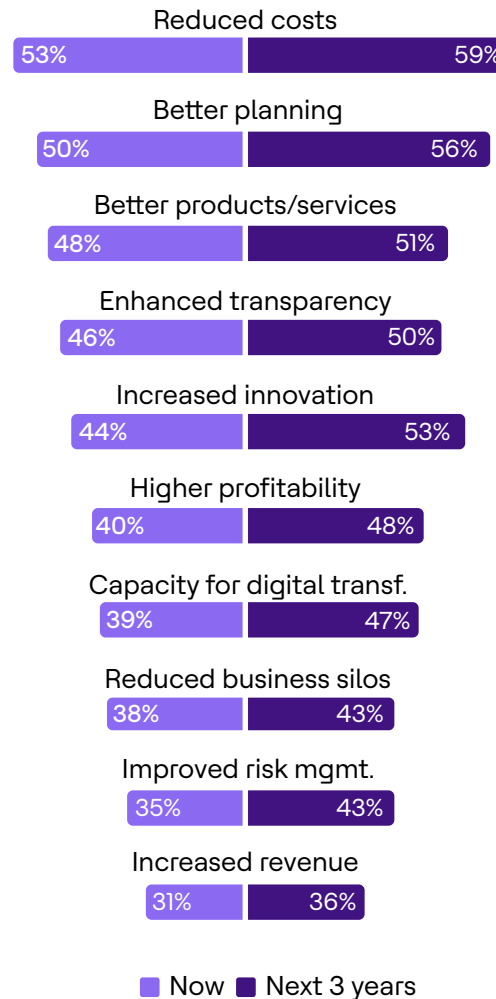
The top **financial benefits** are currently reduced costs, higher profitability and increased revenue. **Strategic benefits** revolve around better planning and decision-making, increased innovation and greater capacity for digital transformation. **Operational benefits** include better products and services, enhanced transparency from better data and insights into multiple experience touchpoints and reduced business silos. Overall, experience leaders reap these benefits more than other enterprises.

For the next three-year period, the proportion of firms expecting to see benefits in each of these categories significantly increases.

Performance gains vary by industry and their goals. For example, transparency across the organization is a top benefit for 57% of financial service providers; better products and services for 57% of travel and transportation companies and increased innovation for 55% of technology and service firms. For consumer services, the most prevalent benefit is reduced costs (54%).

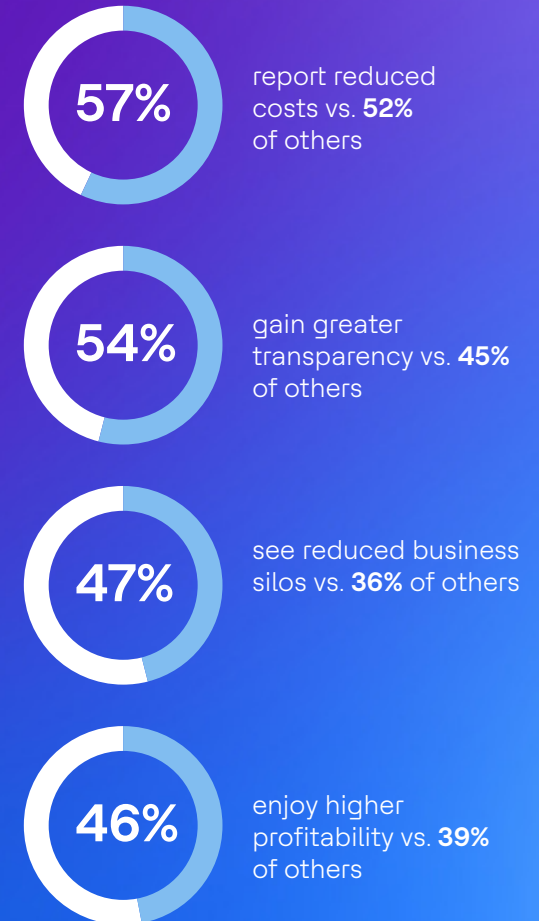


Top 10 business benefits seen from personalizing experience



Stronger business results

Leaders reap greater performance benefits than other firms in the following areas.



Becoming an experience leader

The ability of leaders to drive outsized returns from experience investments comes from the strategic, technology and organizational decisions they make around personalizing and scaling experiences. Our research shows that leaders take three key actions to drive experience excellence and turbocharge their ROI.

01

Make experience relevant through data and AI

1. Harness data to understand and predict customer, employee and user behaviors, preferences and pain points.
2. Employ AI to provide customers, employees and users with more personalized, intuitive experiences.
3. Use GenAI to gain greater insights from data and tailor content, services and products for stakeholders.

02

Deliver experiences at scale with cloud and SaaS

1. Store, secure and integrate data in cloud, along with the systems and tools needed for experience.
2. Use cloud to scale experiences and quickly deploy new products, services and solutions to meet user needs.
3. Draw on SaaS solutions to scale a variety of specialized applications that can handle high volumes of data and help build adaptable experiences.

03

Cultivate an experience-led organization

1. Set a vision for experience leadership and nurture a design-led culture of continuous learning, adaptation and change management.
2. Embrace a product-aligned operating model, which involves setting up cross-functional teams to mobilize IT and business processes and resources around products, services and platforms.
3. Automate as many inefficient CX, EX and UX processes as possible.

Make experience relevant through data and AI

Leaders are more advanced in using data and AI to improve experiences in multiple ways. The top way leaders use data and AI is to customize products, services and models and identify patterns, preferences and behaviors of stakeholders to enable predictions and personalization.

A clear dividing line between experience leaders and others is in the use of **generative AI**. Two-thirds of leaders are now using or starting to implement, GenAI solutions that will help them gain real-time insights from knowledge databases, including large volumes of unstructured data.

Leaders draw on GenAI to provide more personalized assistance by utilizing its ability to analyze previous customer interactions, purchases and behaviors. It also has other uses: **Cisco Sanchez, Senior IT VP & CIO of Qualcomm**, says, "Generative AI helps us retrieve documentation better. It helps us create code better. It helps us create an image better."

How leaders are using GenAI to personalize experiences

67% Gain real-time insight generation from knowledge databases

65% Gain faster and better insights from large volumes of unstructured data

64% Enable chatbots to provide personalized assistance

61% Tailor content, services and products that anticipate customer/employee/user behaviors

46% Make product and service recommendations

36% Conduct scenario analysis and decision-making around experiences

27% Raise employee productivity and help them provide superior CX and UX

22% Provide interactive training and skills development

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At Schwab, we approach and evaluate new technologies with a focus on the value they can deliver, whether it's creating an easier or more accessible experience or giving clients the ability to personalize how they invest or interact with us. A recent example of this is the launch of Schwab Investing Themes, which leverages natural language processing to mine terabytes of data and millions of public documents to identify publicly traded companies based on their relevance to an investment theme that is of personal interest to an investor.”



Andrew D'Anna

Head of Retail Experience,
Strategy & Risk
Charles Schwab

Deliver experiences at scale with cloud and SaaS

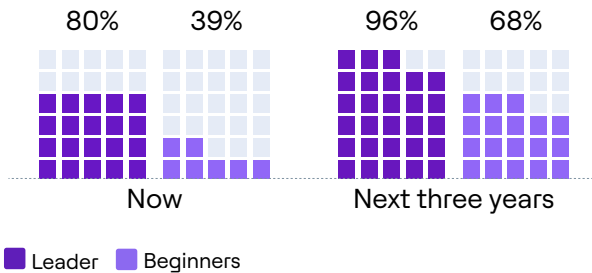
To scale personalized experiences across their enterprise, leaders make prolific use of cloud. But scaling experiences is not simply a matter of adopting cloud—leaders also differ in how they use cloud. Leaders use it to store and process large amounts of customer, employee and user data, as well as to enhance product uptime while simultaneously lowering operational costs.

Cloud uses that will grow the most in three years among leaders are deployment of new features, systems, products and services; segmentation and portioning of data across regions and harnessing of third-party cloud services from trusted partners, which will also grow notably.

For most leaders, SaaS is about scalability, ensuring that applications can handle high volumes of data without compromising performance. Today, over half of leaders use SaaS for this purpose and the percentage will grow to over two-thirds in three years.

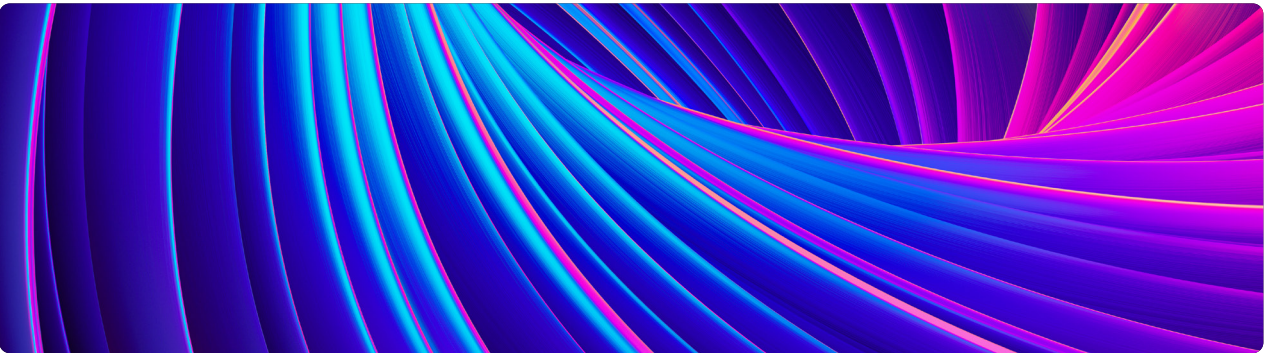
Eight out of 10 leaders have largely or fully implemented cloud and SaaS, compared with just 39% of beginners. In three years, nearly all leaders will be advanced in cloud and SaaS implementation.

% of firms that have largely or fully implemented cloud and SaaS to deliver experiences



Main ways leaders use SaaS now and plan to use it in the future

	Now	Next 3 years	% pt diff.
Ensure that apps and services can handle high volumes	56%	67%	+11 ▲
Use SaaS built-in analytics and reporting capabilities	56%	63%	+7 ▲
Access a wide variety of specialized applications	54%	66%	+12 ▲
Create better experiences by integrating suite of SaaS solutions	47%	54%	+7 ▲
Enable automatic software updates and bug fixes	45%	51%	+6 ▲



By putting our data lake in the cloud and providing SaaS-based analytical tools, we provide our executives with access to a central set of data for their own purposes. If you are in finance, you can use data for financial reports. If you are on the commercial side, you can draw on customer data. Our goal is to make data a strategic asset through the cloud.”



Bilal Alani
Group Head of IT and Data, R&D Danone

Cultivate an experience-led organization

Leadership comes from the top. Most experience leaders in our study set a purpose-led vision for embracing experience, as well as establish the goals to achieve that vision and the principles that staff should follow. And they understand the value of change management to achieve those goals.

To excel at experience, leaders start with the user in mind, drawing on a design-led culture of continuous learning and adaptation. This may involve traditional design-thinking methodologies and workshops.

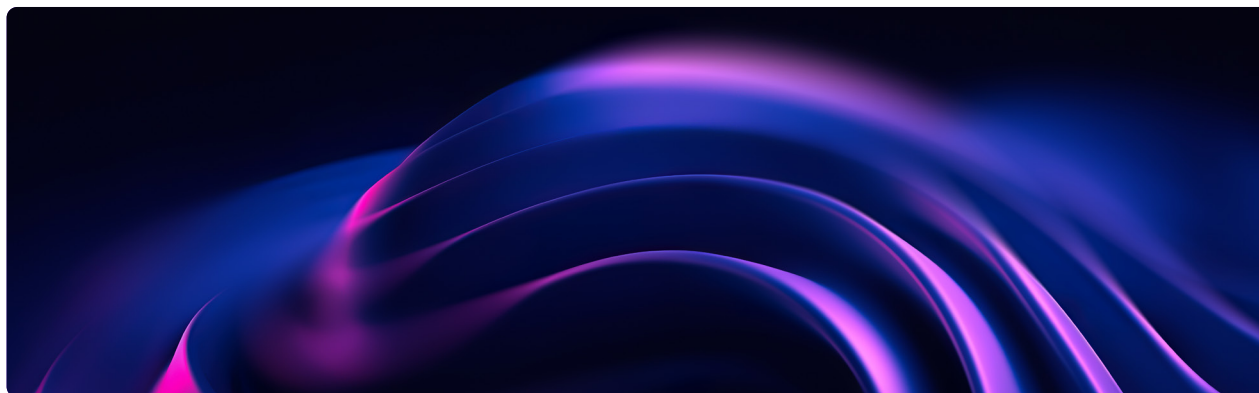
“Regardless if it is for the customer or employee, building experience starts with the user,” says **Ashish Kumar Gupta, Chief Growth Officer, Europe and Africa, Diversified Industries of HCLTech.** “Begin by defining the user experience, by asking questions such as ‘What do they do? What do they need? How can we do it better through technology?’”

Adopting a product-aligned operating model

Another organizational element is building a product-aligned operating model. Many businesses think sequentially. They start with what reaches the user as a product—whether it is an actual product for a customer or a workflow solution for an employee—and then work backward by aligning teams and resources and evaluating data to make decisions. Under a product-aligned operating model, IT and business resources and processes move in lockstep around products, services and platforms.

Automate experience processes

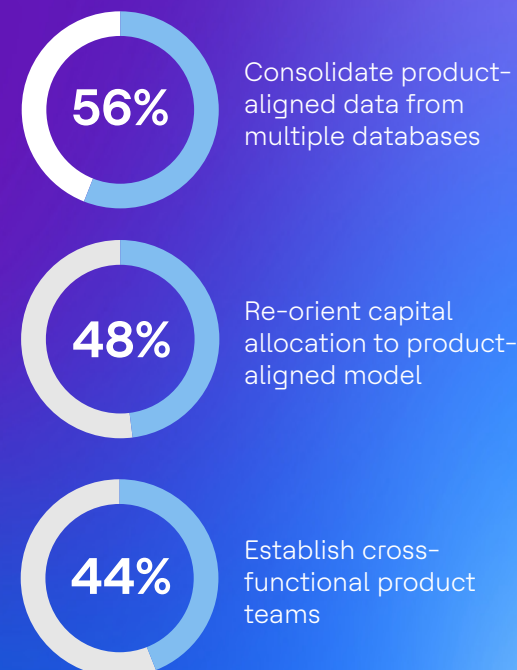
Intelligent automation—from intelligent document processing to automated workflows—helps create the organizational leanness and connective tissue needed to flex to fast-changing customer, user and employee needs. To improve organizational agility, leaders automate many processes revolving around experience. They often start with identifying inefficient processes and mapping them out to assess where automation will have the greatest impact.



56% of experience leaders set the vision, goals, principles and culture for becoming an experience-led organization.

39% build a design-thinking-led culture of continuous learning and adaptation.

Top steps taken by leaders toward product-aligned operating model



Vaulting hurdles on the road to leadership

The journey towards delivering exceptional experiences across all dimensions— customer, employee or user—is both an imperative and an opportunity for organizations striving to stay competitive in the ever-evolving digital landscape. But the road to becoming a leader is not without obstacles. Many firms still grapple with the complexities of delivering consistent, scalable and personalized experiences, particularly multi and total experiences.

The top **organizational challenge** that companies face is the lack of metrics for measuring experience performance. Our research shows that this hurdle becomes larger as firms advance in experience solutions, so it is best to set clear metrics up front, such as net promoter and customer satisfaction scores for customers or employee turnover and productivity indicators for staff. The absence of metrics makes other things more difficult. Structuring incentives is complicated without clear quantitative goals. And without rewards, employees have less reason to change their behaviors. Organizational silos add to the problem, since they not only hinder collaboration but also prevent a free flow of needed data.

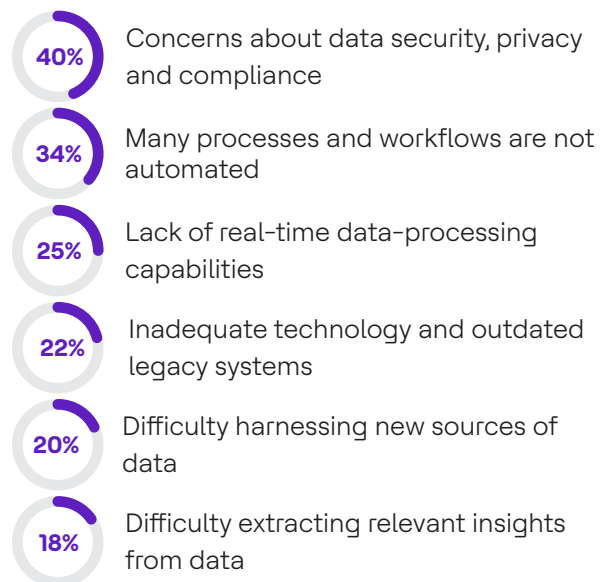
Technical challenges compound the organizational barriers. For example, to fill the talent gap, firms need to go beyond hiring and training staff, by providing them with the digital tools and solutions they need to succeed. Such tools—such as modernized IT platforms, automated workflows, real-time data processing and low-code, no code—are too often missing. But the top challenge of all is around data security, privacy and compliance. Without the proper controls, digitization can generate greater cyber risks, at a time of increased use of personal data and rising regulations. Leaders understand both the upside and downside of digital innovation.

Top challenges to personalizing experiences

Organizational



Technical



One of the biggest challenges is around security, given the potential access to different business units and systems via cloud computing. Thus, there is increased system scrutiny and awareness of GDPR and the legal obligations regarding the use and movement of data. The lifecycle of a cybersecurity ticket is much more under the microscope and the impact of an event and the transition from an event to an incident, has the potential for increased impact.”

Christian Platt
Chief Technology Officer
Fujitsu UK

The bottom line

Creating personalized, scalable experiences represents a good investment. Our research indicates that the rewards for those that successfully navigate the challenges are significant, with projected returns on investment set to nearly double in the next three years.

Indeed, the average ROI on the five forms of experience currently is 28%, with leaders experiencing a higher ROI of 47%. It will rise to 51% in three years on average—and to 69% for leaders.

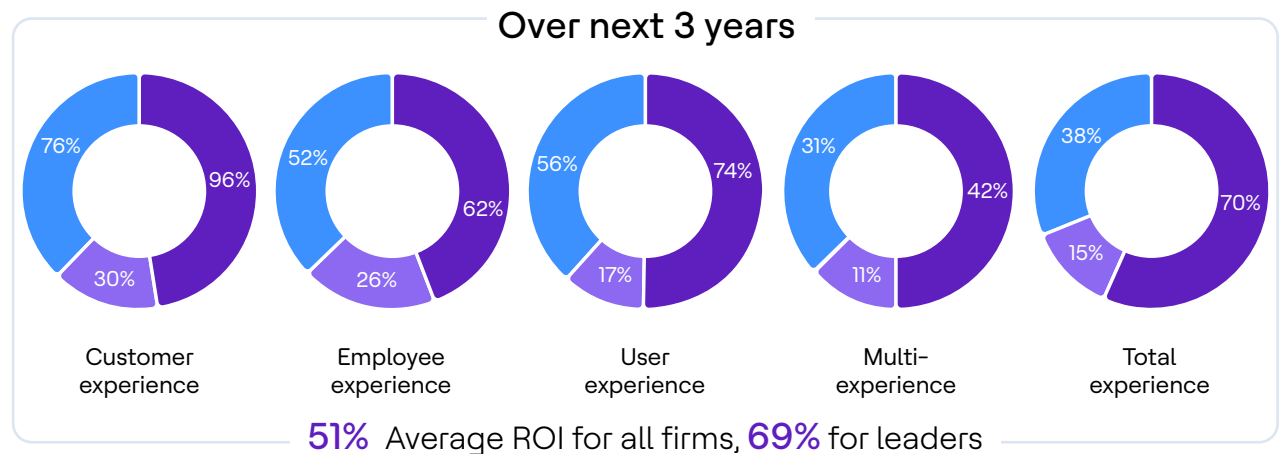
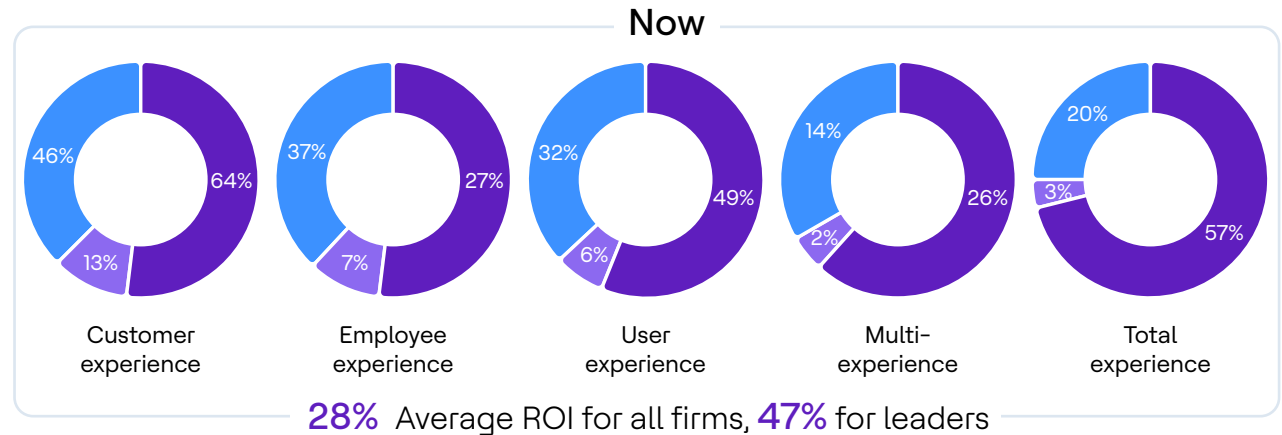
This underscores the need for firms to move quickly to secure first-mover advantage and capitalize on the benefits from scaling personalized experiences.

Leaders also invest more than others. On average, they invest 28.9% of their total IT spend on experiences, more than beginners (21%), and a bit more than intermediates (26.6%).

What lies ahead

As we look ahead, the future belongs to those organizations that prioritize and invest in enhancing experiences in all its forms. With a strategic focus on harnessing the potential of data and AI, leveraging cloud and SaaS technologies and cultivating an experience-led organization, enterprises can position themselves not only to meet the expectations of today's discerning consumers and employees, but also to drive sustainable growth, profitability and productivity.

Average ROI generated by experience investments



■ Leader ■ Beginner ■ All

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Progress™

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