STATE OF EXPERIENCE IN CANADA
2021

Medallia

Ipsos

Foreword

This summer, Medallia and IPSOS Canada surveyed over 300 Experience professionals and 2,000 Canadian consumers to understand the challenges and implications of COVID-19 on Canadian businesses, how organizations are prioritizing experience initiatives, as well as understanding the role customer experience plays in consumer buying decisions.

By really understanding the customer and their journeys, organizations can create more personalized experiences both digitally as well as in those key moments of truth involving human interactions.

The following report highlights the key themes and findings uncovered from our research. Whether you are a CX practitioner, business owner or simply a lover of insights, we hope you enjoy this look into the Canadian state of customer experience.

Study Details

Data Collection: July'21

300
Canadian Executives Surveyed

12
Industries Represented

2000
Canadian Consumers Surveyed

Canadian consumers were asked to give their feedback as both customers and employees when applicable.

Results presented in this report from our survey are coupled with analysis from the following sources:

1. Ipsos's 2021 CX global voices survey
2. Ipsos's Canadian financial monitor 2021
3. Ipsos's Health and Safety 2020 study

The Canadian Executive

The journey toward CX maturity

The pandemic has changed the way companies across the world operate, forcing many organizations and executives to pivot and shift focus. Financial health and customer expectations have changed and restrictions over the past year and a half have forced companies to rethink their channel experiences.

Today only 11% of organizations consider themselves CX leaders. To build on that, only one in 10 leaders say their entire enterprise:

- Is CX obsessed
- Has fostered a customer and journey centric culture
- Is utilizing advanced analytics to constantly improve the customer experience

CUSTOMER EXPERIENCE MATURITY LEVEL

11.3%

Leading
Full CX integration

55.3%

Practiced
A strong CX function

33.4%

Foundational
Basic level CX functions

How to become an experience leader

Every brand in Canada has the potential to adopt a leading customer experience program, one that puts the customer at the heart of everything.

Inside our "State of the Experience in Canada" report, you'll uncover learnings on how lagging organizations can become leaders in customer experience by using best-in-class technologies and implementing culture-shifting best practices such as:

1. Using data to solve problems in real time

2. Meeting customers where they are through seamless omni-channel experiences

3. Creating a culture of CX obsession

#1 Using data to solve problems in real time

While the value of CX is known by leaders, few are using advanced analytics to identify the financial value of CX improvement. In Canada, less than a third of executives believe that their organization obtains and analyzes customer data well. The answer to this could be in the adoption of more powerful technology/digital platforms, as only **27% believe the tools being used to collect and analyze customer sentiment are adequate.**

Leading customer experience organizations understand the power of real time data and are using it to predict and alert the business to issues they need to resolve before customers decide to leave.

GLOBALLY ONLY **40%** of LEADING CX companies use advanced predictive analytics to simulate and forecast the financial value of CX investment and improvement

ONLY **3/10**
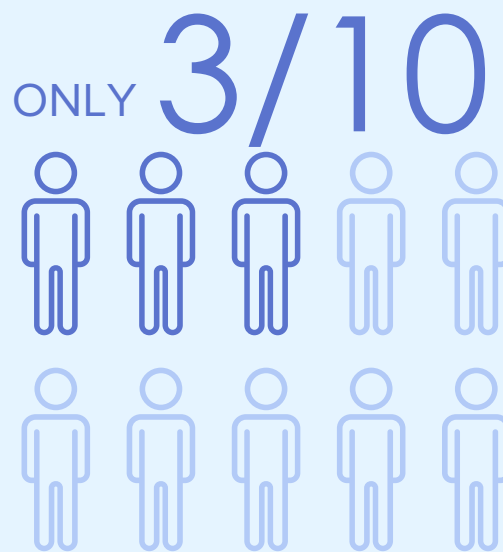
executives say that real time data is being used to identify, resolve and prevent customer issues

#2 Deliver seamless omni-channel experiences

Canadians today are using more channels than ever to communicate with business. From retail locations to online platforms, customers are using various methods interchangeably and for different objectives. Ipsos's Canadian Financial Monitor confirms this by uncovering that **42% of banking customers use both mobile and online banking today.**

Multi-channel engagement poses an ongoing challenge to organizations particularly when many of these channels have been set up historically to serve different purposes and have not been built to communicate efficiently. Many companies still operate within internal managerial and operational silos and to the trained CX eye, these inefficiencies are easy to spot. Employees feel this disconnect too. In Canada, almost **50% of employees strongly feel that their biggest challenge today is customers moving to new channels.**

That is in line with our finding that only 21% of executives say they have a comprehensive omnichannel strategy in place to improve the overall customer experience.

On a deeper level, the issue is 2 folds; lack of sufficient employee resources to provide adequate coverage across channels and a lack of technical expertise needed to manage digital channels.
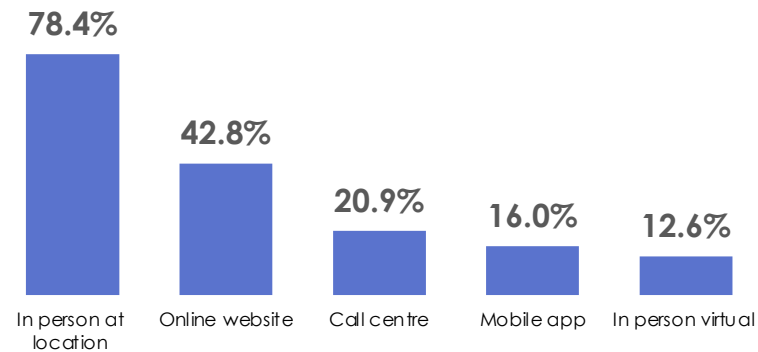
Only

23%

of Canadian consumers strongly agree that they receive a consistent service across all channels

Only

20%

of Executives strongly agree that omnichannel strategy
is being used to improve customer experience
(Top 2 box)

#2 Seamless experiences by being phygital

Resourcing challenges aside, its vital to understand that omni-channel does not mean forgoing existing physical channels and focusing only on digital. Its about being increasingly more "Phygital".

Being Phygital means having the tools, systems, and processes in place to meet customers wherever they are, and however they prefer to engage with you. Organizations need to expand beyond the transaction, focusing also on employee skills development, health and safety, and driving retail excellence.

- Front line excellence is vital, with a large majority still preferring to deal with an employee-based channel

- Retail experiences need to be reimagined to fit in with other channels and deliver on the brand promise

- According to Ipsos's health and safety study in summer 2020, 65% of Canadians would stop going to a specific retail store if they did not abide by some form of health measures. Today, 62% of employees feel their employer has done a good job protecting employee and customers health to this date. Day to day CX and consumer journeys at physical outlets should encompass these measures by default.

PREFERRED CHANNEL

Channel	Percentage
In person at location	78.4%
Online website	42.8%
Call centre	20.9%
Mobile app	16.0%
In person virtual	12.6%

" Be more phygital

Omnichannel has become increasingly important, it means that we need to be able to be there whether it's offline or online channels and both must be able to give the basic requirement that will satisfy the customers..."

Ipsos CX global voices 2021 Executive feedback

#3 Create a culture of customer obsession

Your employees are your ultimate firefighters. Not only do they intervene during times of need, but they're able to see the smoke and prevent flames from igniting.

THE PROBLEM: Our survey found that **60%** of employee respondents feel they **don't have all the tools needed** to provide an exceptional customer experience.

THE SOLUTION: By adopting these key tactics highlighted here, organizations can build a culture of customer centricity and drive their CX maturity to the next level. Today only 50% of Canadian executives would agree that these tactics are already in place within their organization. Many say it's still on the roadmap.

THE RESULTS: According to the Ipsos CX Global Voices 2021 Survey, more than half of organizations that increase their CX efforts see **an improvement in customer experiences**, and **35% achieve gains in financial performance** as well.

Reinforcing customer centricity from the executive level

Sharing and replicating best practices to shape the future

Provide the necessary tools to improve performance

Having open access to customer feedback data

Using CX language in daily business

The future of customer experience

Executives, employees and customers all agree that more needs to be done in the customer experience space. Since the pandemic hit, **44% of executives have noticed an increase in organizational focus around customer experience**. According to the study, the number one priority for the majority of Canadian executives over the next year will be to **deliver a more elevated and personalized experience.**

44%

of executives have noticed an increase in focus around customer experience since the pandemic hit

The majority of Canadian experience executives have stated that they expect their CX budgets to grow over the next 12 months, creating an opportunity for increased investment in training and tools to measure performance and gain deeper customer insights. As a result, 35% of Canadian executives expect to see their organization's CX key performance indicators, such as NPS® and OSAT, improve over the next 12 months.

The Canadian Consumer

Are you really listening to your customers?

The manner and methods that customers use to provide feedback to the brands they interact with has never been more complex. The good news is that customers are communicating with businesses, directly with feedback, and indirectly through their actions, and today's technologies can capture and process all of it. This provides a treasure trove of data insights to inform business strategy, provided you're listening.

"

We often see brands solicit feedback from customers in every realm of the business operation. While this is all great insight to have, it's critical that you focus on asking the right questions. Ask about things which you can deliver on, what you have the budget and resources for, and what you have the skill set to see through."

**Shannon Katschilo**
General Manager, Medallia Canada

Customers expect leading experiences

Canadian consumers demand exceptional customer experiences. No longer is customer experience seen as a competitive advantage, but instead, is the expectation.

We also know that customer expectations today are being shaped by experiences across all sectors (liquid expectations). CX leaders are indirectly putting pressure on everyone else.

With that in mind, it's not surprising that consumers told us that **they're not willing to pay more for good customer experiences**, it is simply a table stake expectation.

The power of the customer experience cannot be overstated, with **41% of consumers surveyed in our study saying that a poor experience is enough to drive them to purchase from another brand.**

41%
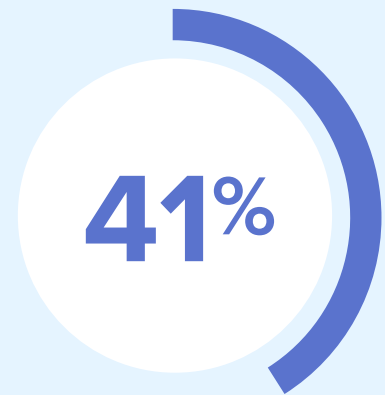
A poor experience is enough to drive me to purchase from another brand
(Top 2 box)

16%

Generally, I am willing to pay more to receive great customer service
(Top 2 box)

# Customers are generally happy, but there's still room to grow

Companies in Canada perform strongly on customer satisfaction, with 70% of Canadians being extremely satisfied with their most recent interactions. When comparing those experiences across industries, insurance companies edged slightly ahead of the rest when it comes to providing top-notch experiences.

Customers say two of the top ways brands can improve their experience include:

- Providing consistent service across channels

- Sharing customer information across the organization

Only 28% of respondents believe that companies have figured out how to operate smoothly when it comes to shifting to contactless customer interactions and engagement.

Additionally, only 33% of employees are aware of any customer feedback programs in their organization, of those only 43% are engaged in these programs. How can organizations foster a CX culture without engaging the whole? This becomes imperative as **43% of employees (aware of customer feedback programs) believe their company has really learned and improved from this feedback over the past year.**
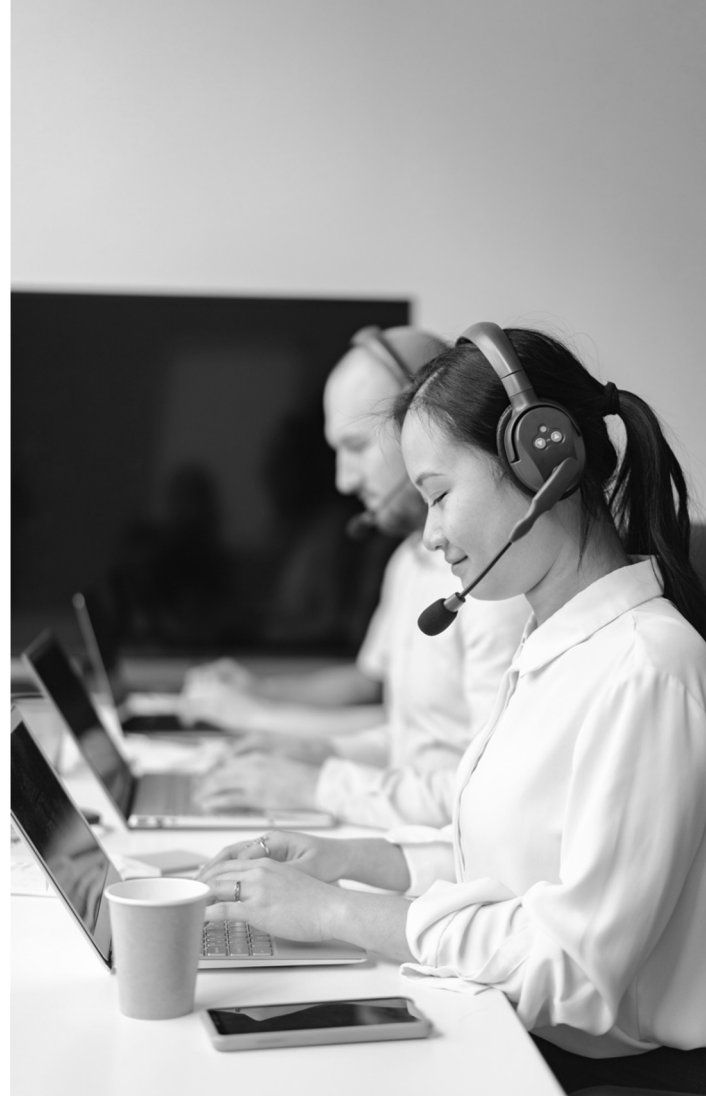
70%

of Canadians are extremely satisfied with their most recent interaction with a company/provider.
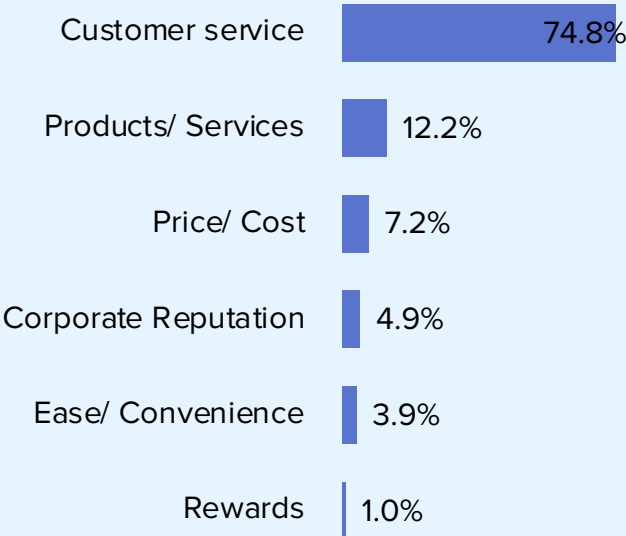
Customer service is at the heart of experience

Regarding where organizations should focus to drive better experiences, **75% of customers state that customer service is the most impactful area to improving their interaction** - over cost, convenience, rewards and the product/service itself.

For younger customers, good customer service is about being personally addressed. A desire for **better client/ business cohesion and understanding** is clear in that age group. Customers want employees to be armed with the right solutions to address their needs, and **solve their problems in real time**. Older counterparts are looking for faster services across channels. This speaks to the need to be able to self serve but easily get human help as needed quickly and easily, via phone, chat, text, video or other channels. It also emphasizes the importance of attracting, developing and retaining the best service reps, and creating a supportive coaching environment.

WHICH FACTOR HAS THE GREATEST IMPACT ON CX

Customer Experience Focus

Customer service	74.8%
Products/ Services	12.2%
Price/ Cost	7.2%
Corporate Reputation	4.9%
Ease/ Convenience	3.9%
Rewards	1.0%

TOP AREAS OF CX IMPROVEMENT

Younger customers :
Better client understanding

Older customers:
Faster services and lower fees

53%

strongly agree that companies should provide the ability to go into a branch and have someone serve them right away.
(AGE 55+)

Personalization in the data era

Personalization is still a strong motivating factor in buying decisions, with one third of survey respondents citing **they're more likely to make a purchase if they receive a personalized experience.**

Customers are increasingly savvy about how much data is being collected about them, both directly and indirectly, says the Ipsos CX Global Voices survey. There's now an expectation to use this data to improve experiences, particularly when this data is provided voluntarily and directly from customers such as with customer feedback surveys and programs.

Our study uncovered **that 40% of Canadian customers have received some form of a CX feedback surveys over the past 6 months**, and customer want to give feedback! Only 5% of those who receive surveys state that they <u>never</u> fill them out.

Companies can collect more customer data by addressing the issues above, but ultimately, it's all about showcasing the value of customer feedback.

Having a data management **mechanism that is rooted in action** based on customer feedback, falls perfectly in line with the 2022 "Personalization" objective and will showcase how much your company values its clients.

RECEIVED A FEEDBACK SURVEY OVER PAST 6 MONTHS

40%
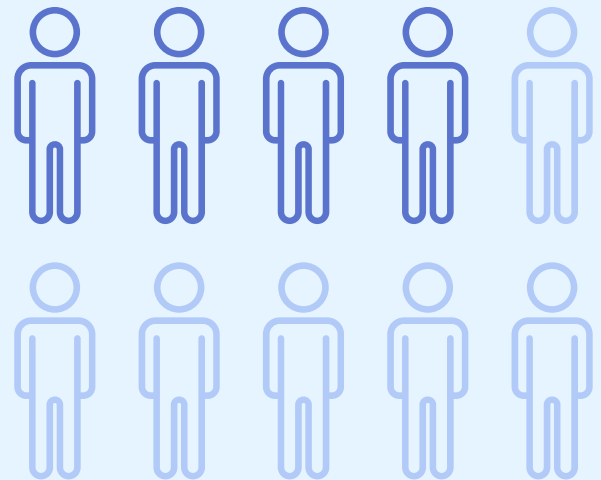
TOP REASONS FOR NOT FILLING A CX SURVEY

Length of survey

No incentive

Will not make a difference or result in improvement

Key Takeaways:

1

Using data to solve problems in real time can help retain customers before you lose them

2

The seamless omni-channel experience is more critical than ever

3

Employee culture can help ensure your brand delivers leading experiences

" CX SUCCESS STARTS WITH YOU.

Medallia