Delivering Experiences That Win Business and Build Loyalty: FOCUS ON EMEA
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Recap: Global CX Survey Key Findings

Organizations worldwide are boosting investments in key customer experience (CX) technologies. According to a global survey of 2,670 managers conducted by MIT Sloan Management Review Connections and sponsored by SAS, nearly 50% of companies expect to increase their CX technology investments by a hefty 11% to 50% over the next two years.

Organizations are also confident about the returns on these investments. A majority of companies — 57% — report “large positive” or “moderate positive” returns (4 or 5 on a 5-point scale) on their CX technology investments. Within two years, that number will leap to more than 70%.

While money is flowing and expectations are high, achieving payoff on these investments is still a work in progress. Only 15% of organizations surveyed say they are significantly outperforming their competitors in terms of CX quality and ROI on investments. These companies — we call them CX Champions — stand apart from the pack because they:

1. **Elevate CX strategy to the same level as their overall digital transformation strategies.**
2. **Use sophisticated analytics and strive for mastery of artificial intelligence (AI).**
3. **Make CX a mainstay of their organizational operations.**

This regional report explores CX trends and challenges in Europe, the Middle East, and Africa.

### EMEA Organizations Are Optimistic About CX Technology Spending

Like their peers in the rest of the world, organizations in Europe, the Middle East, and Africa (EMEA) also have strong expectations for the ROI on investments in key customer experience (CX) technologies, such as analytics, personalization, and smart assistants. Nearly 50% of companies in these regions plan to increase such investments by 11% to 50% in the next two years. And significant percentages (16% in Europe, 22% in the Middle East-Africa region) expect to boost investment by anywhere from 50% to more than 100% during the same period (see Figure 1).

Organizations in both Europe and the Middle East-Africa also have high expectations about the return on these investments. As with other companies worldwide, the percentage of EMEA-based businesses achieving “large positive” returns is expected to more than double in the next two years. In Europe, it is forecast to nearly triple, growing to from 12% to 34% (see Figure 2).

### Figure 1:

Increases in CX Technology Investments in EMEA Organizations

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Global</th>
<th>Europe</th>
<th>Middle East-Africa</th>
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<tbody>
<tr>
<td>51% to more than 100%</td>
<td>23%</td>
<td>16%</td>
<td>22%</td>
</tr>
<tr>
<td>11% to 50%</td>
<td>47%</td>
<td>49%</td>
<td>48%</td>
</tr>
<tr>
<td>Up to 10%</td>
<td>16%</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>No increase</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Don’t know/NA</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
</tr>
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</table>

Percentages reflect rounding.
Overall, companies across EMEA appear to have a handle on the strategy and management of CX, by for instance, elevating CX strategy to the level of digital strategy and making CX an operational mainstay. But when it comes to quality of the customer experience, organizations throughout EMEA often fall short. Our survey found that EMEA companies are less likely than their global peers to say they offer customers a better experience than their competitors do. In both these regions, it can be difficult to build momentum for customer focus because of deeply embedded cultural norms. To help move past these roadblocks, some companies are taking a different approach with technology and using it as a primary driver of interest and buy-in.

The rest of this regional report delves into the challenges and drivers of CX success in EMEA and what steps business leaders in these regions can take to boost their organizations’ competitiveness.

**EMEA: CX Strategy and Management**

As previously noted, one key characteristic of CX Champions overall is that they consider their CX strategies as important as their overall digital transformation strategies. When the two are tightly linked, CX becomes a measurable enterprise-wide endeavor with objectives and key performance indicators (KPIs) that cascade throughout the organization. CX isn’t left to prove or fend for itself; it becomes as important to company performance as innovation and efficiency.

**Leading From Behind**

Across EMEA, it’s hard to build momentum for CX, especially among front-line employees. “Europe doesn’t emphasize, nor especially value, business leaders who stand up and advocate big, audacious goals,” says Kathy van de Laar of EarlyBridge. “Aggressiveness in business isn’t a strong value in Europe since it’s not part of the continent’s history.”

To surmount these obstacles, executives need to “lead from behind,” as van de Laar puts it. Because many European companies have worker councils or employees sitting on their boards, they need strong change programs created to engage people from the bottom up.

“Executives should focus on building commitment, creating ownership, and engaging people around a shared ambition,” she says. “They have to show more than that ‘the buck stops here.’ They need to model the behaviors they’re looking for in their organizations.” Ultimately, demonstrating that everyone’s in the same boat will go a long way toward ensuring employee buy-in.
Companies in the Middle East and Africa face a distinct set of challenges, including their typical organizational cultures, when trying to build momentum for CX collaboration.

Organizations in EMEA are just as likely as those around the world to have raised their CX strategies to the corporate level. For example, 72% of survey respondents globally “strongly agree” or “agree” (4 and 5 on a 5-point scale) that their organizations have aligned those two strategies. In Europe, it’s 69%; in the Middle East–Africa region, it’s 72%.

In addition, just like their global peers, EMEA companies strive to use distributed authority by pushing CX responsibility down the corporate ladder. For example, 68% of companies manage CX through cross-functional teams that make recommendations to senior executives, according to the survey. For respondents from Europe and the Middle East–Africa region, the percentage is about 70% for each.

EMEA entities are also as likely as companies in other regions to have documented CX workfl ows across the enterprise so that all employees know both their own and those of others in the process — about 65% globally as well as in both Europe and the Middle East–Africa region.

Organizations in Europe also are equipping themselves with the technology needed to work effectively across the enterprise. Globally, 64% of companies “strongly agree” or “slightly agree” (4 and 5 on a 5-point scale) that their organizations provide collaborative software and platforms allowing cross-functional teams to manage CX processes from a single point. Among European respondents, the percentage is similar, at 63%. But in the Middle East–Africa region, the percentage is lower, at just 56%.

Among the likely reasons: Companies in the Middle East and Africa face a distinct set of challenges, including their typical organizational cultures, when trying to build momentum for CX collaboration. “These are relationship cultures, and they don’t highly value meritocracy,” says Kathy van de Laar, managing director of the Amsterdam-based consulting firm EarlyBridge (see “Leading From Behind”). “The quality of an individual’s relationship at work or in the industry matters more than their individual achievements. It is a very subtle process to assemble a coalition big enough to start moving the needle even if you have a solid strategy in place.”

Given such barriers, Middle Eastern and African companies lag not only in the use of collaborative software but also in the implementation of many key CX technologies (see Figure 3). According to the survey results, these organizations plan to make up some ground in the next two years but are still likely to lag behind their counterparts elsewhere in the world in many categories (see Figure 4).
“In Europe, investments are often focused on updating legacy systems. Those priorities may not always translate into enabling the best possible customer experience.”

Olga Potaptseva
European Customer Consultancy

Moreover, European organizations often lack alignment between financial and CX goals, says Potaptseva, who has overseen CX projects in Europe and the Middle East. “In Europe, investments are often focused on updating legacy systems. Those priorities may not always translate into enabling the best possible customer experience.”

Christian Peter, head of marketing automation at Commerzbank AG in Frankfurt, Germany, believes that European companies have put many of their eggs into the Net Promoter Score (NPS) basket. This measure, developed by Fred Reichheld and the strategy consultancy Bain & Co., posits that the most meaningful measure of customer satisfaction is the extent to which they would recommend a company’s products or services to their friends and colleagues. As a single measure, NPS is popular because of its simplicity and its potential role as a catalyst for change.

The Data Ethics Imperative

Pressure from their customers and governments to adequately protect personal data is spurring businesses around the world to craft data ethics plans. Globally, 38% of businesses have one of these plans, and another 30% say they are planning to develop one, according to the CX survey. Regionally, the numbers are very similar throughout the EMEA region.

Data ethics plans in Europe are primarily focused on assuring compliance with the European Union’s General Data Protection Regulation (GDPR), notes Antonio Grasso of Digital Business Innovation. GDPR, enacted in 2018, represented a milestone in government oversight of data privacy. In 2022, the 27-nation EU adopted another set of regulations requiring companies to let customers easily opt out of tracking data. Mozilla Firefox and Apple’s Safari have already banned the use of third-party cookies, and Google Chrome is expected to institute a similar ban.

But the emphasis on privacy is also becoming standard in the Middle East and Africa, where a growing number of countries are passing data privacy laws often modeled on Europe’s GDPR. In the Middle East, for example, Bahrain, Egypt, Qatar, and the United Arab Emirates all have enacted data privacy laws since 2016. And as internet use grows in Africa, several countries have also enacted data privacy laws over a similar time period, including Ghana, Kenya, Morocco, Nigeria, Rwanda, South Africa, Togo, and Uganda.
However, others, including Peter, say that the potential for using NPS scores to improve CX often doesn’t pan out. Companies often don’t have systems to identify precisely where in the CX process customers are dissatisfied. “If your organization has eight critical customer touch points, you can’t realistically ask an NPS question at each point,” Peter says. “This is where you need to expand your toolkit.”

Europe’s strong regulatory environment can hamper CX-improvement efforts, notes Antonio Grasso, founder and CEO of Digital Business Innovation. “European regulations require companies to request permission at many different touch points,” says Grasso, who is based in Naples, Italy. “It can begin to become very difficult to gather data and act on it.” (See “The Data Ethics Imperative.”)

Challenges in improving CX in EMEA help explain why the overall quality of CX in some parts of these regions is lower than that in the rest of the world. Globally, 67% of respondents say the quality of their company’s CX is “much” or “somewhat” better than that of their competitors. In Europe, nearly as many — 66% — say the same. But in the Middle East and Africa, the number falls to 59% (see Figure 5).

Moving the CX Needle With Technology

Businesses are often advised to begin new initiatives with strategy, culture, and leadership challenges as much as possible before they add technology to the mix. The point is well taken. As noted earlier, the survey found that elevating CX strategy to the same level as corporate digital strategy is a hallmark of CX Champions and their superior ability to garner strong ROI on the CX technology investments.

Nonetheless, technology can often be a driver of CX momentum and can be introduced concurrently with strategy development, especially if momentum is difficult to drive. At ING, the Dutch multinational financial services corporation, CX tools were foundational to changing the bank’s mindset to focus on long-term profitability by cultivating customer loyalty, says Steffi Frison, senior product and chapter area lead of analytics at ING Belgium. “In the past, the bank had a short-term focus,” she recalls. “If a customer was small, people here didn’t put much emphasis on increasing business with them.”

Now, however, the bank’s mindset has significantly shifted, Frison says. “We started by deploying back-end analytics and other technologies to identify customers with the greatest growth potential,” she recalls. “Then we added tools to help the bank develop these customers and track our progress. Soon it became clear to all what we could accomplish, and ING started taking a longer-term view of profitability. That wouldn’t have happened without analytics and other CX tools that made it clear to senior management.”

Van de Laar emphasizes that technology implementation should be concurrent with messaging to the organization. “The big challenge with technology is trust and adoption,” she says. “You can’t add value to the customer experience if people don’t understand the value of the technology.”

As an example, she recalls a large CX project done with a financial services organization. The company had combined its service and sales organizations and wanted to align the new structure with compelling “next best” offers for specific customers. “However, they made a mistake that many companies do when using agile: They started with a minimum viable product instead of a minimum lovable one.” That is, they offered an initial product with just enough basic features to attract early users, whose feedback could be incorporated into later iterations, rather than one providing a great (“lovable”) experience from the get-go.

To illustrate the point, she describes the client organization’s first foray with analytics to generate those next best offers. Its staff soon began to see a significant depletion in the offers, which suggested
that the analytics tool was less than robust and raised doubt about the value of the entire effort. It wasn't until the company improved the recommendation engine that it improved sales and earned the support of the newly formed unit. That support translated into a fourfold jump in revenue over the previous effort.

As the above examples illustrate, analytics is the foundation of successful CX initiatives. Organizations in Europe and the Middle East-Africa region are just as likely to be using analytics to manage all three phases of CX as are businesses in the rest of the world. Globally and in EMEA, 40% and 50%, respectively, say that their organizations use analytics to a "great" or "considerable" extent during the product or service research phase of CX, the product or service adoption phase, and the ongoing retention efforts.

Commerzbank is a case in point. The bank has made substantial use of analytics to drive its CX efforts and build one of the most comprehensive, enterprise-wide CX technology systems in the world. “We are an analytics benchmark in European banking,” says Commerzbank’s Peter. “We now do analytics for all of our several million private and small-business customers. We create 250 campaigns per day, every day, with everything fresh.”

These offers are not sent out in batches to connected channels. They are ready every time a customer contacts Commerzbank through any channel. If a customer logs into the website, he or she receives highly personalized offers. “Our strong analytical basis enables us to handle all inbound and outbound sales opportunities in one integrated solution,” Peter says. Follow-up offers can then be sent to bank branches so that employees know what’s been offered should the customer come into the branch.

The system is run by a centralized hub of advanced analytics and AI technologies. It creates a daily heat map for customers for specific offers. The analytics hub also automates all interactions in digital channels and enables agents in branches and call centers to decide what to offer customers so that different parts of the bank don’t make competing offers.

The bank’s automated and personalized offers are based primarily on the data the bank already has, such as deposits, credits, used product features, changes in balances, and other activities, in addition to customers’ previous responses to offers.

The AI models used to create offers are retrained every month to ensure that marketing offers are consistent with market trends and changes in customer behavior.

The results speak for themselves. Automating and centralized marketing using advanced analytics and AI over all channels has consistently added more than 40 million euros of revenue annually.

Commerzbank isn’t the only EMEA-based organization using CX technology to achieve impressive CX results. Potaptseva, of the European Customer Consultancy, cites Virgin Atlantic as another prime example. She recalls the story of a couple traveling on the U.K.-based airline for their honeymoon. The two had posted on social media that they felt things simply couldn’t be more perfect. Monitoring social media, the airline saw the posting and gave the newlyweds complimentary access to the first-class lounge.

But the story doesn’t end there. While in the lounge, the couple posted again that things simply “couldn’t get any better than this.” Again, Virgin Atlantic picked up on the post. As the couple were approaching their departure gate, they saw Virgin employees moving toward them with first-class tickets emblazoned with the message: “It can get better than this.”

In another Virgin Atlantic example, a passenger on a flight from London to Boston used the plane’s Wi-Fi to tweet that her entertainment screen was out of order. She hadn’t mentioned this to a flight attendant, but the crew picked up the complaint in their social-media
feed and offered the disgruntled passenger an upgrade to first class, along with some complimentary ice cream.²

Conclusion
There's little question that enterprise-wide initiatives need clear strategies. Indeed, the survey found a significant majority of companies globally, as well as in EMEA, have elevated CX strategy to the level of corporate digital strategy.

Nonetheless, organizations in EMEA lag behind much of the rest of world in the quality of their CX compared to what their competitors offer. Businesses in these regions face unique challenges in steadily building momentum to drive CX quality. Although there are significant cultural differences, the challenge to building momentum for new initiatives is common around the world.

Technology can — and should — be used to address these challenges, according to executives and other experts interviewed for this report. In addition, technology can play a strong role in building excitement and enthusiasm for CX. To use technology to move these efforts along, business leaders should consider the following steps:

• **Keep upping the analytics game:** Businesses need to have high levels of data savvy when analyzing and targeting customers with new CX initiatives. CX applications need to illustrate the role that CX can play in achieving important strategic objectives.

• **Exercise caution with minimum viable products:** Such products are an essential element of agile and other product or service development methods. Despite the importance of these early stage prototypes, businesses often roll out minimum viable products before they're ready for prime time. Before ramping up distribution, it's important to ensure that the company has a minimum lovable product to ensure that people will sit up and pay attention rather than just rolling their eyes.

• **Develop the ability to lead from behind:** Again, aggressive executives with big goals aren't that popular in EMEA nations, and the companies where they work tend not to be meritocracies. So leaders looking to generate serious CX momentum need to show that such efforts start with them. At the same time, they need to stand beside their employees, clearly demonstrating that all of them are in these efforts together.

References
Markets fluctuate. Competitors come and go. And new technologies, data sources, and smart machines are rewriting the story of the customer experience (CX). It seems the only constant is change.

What does it take, then, to consistently be a CX Champion, along the lines of those described in our survey report? It requires making the most right moves — and quickly diverting from the wrong ones. That means adaptive planning and real-time decisions are key. More to the point, the future belongs to the brands that can reimagine marketing for a new era. It belongs to those that are open to new pathways and perspectives for boosting customer retention and cross-sell opportunities, offering personalized services and fostering loyalty.

How can SAS help? SAS is a trusted analytics powerhouse for organizations seeking immediate value from their data. We were named a leader in customer intelligence across five analyst evaluations in 2020 and 2021. In fact, we are the only vendor to be included as a leader in every Forrester Wave Cross-Channel Campaign Management evaluation since our inaugural report in 2008.

Ultimately, of course, those accolades don't matter much to your organization. What really counts is what SAS can do: help brands excel across every step of the customer journey.

With SAS, brands can move beyond a traditional customer data platform to one that enables them to detect digital events in real time, enhance and extend customer data activation, and apply analytics on the go. Those capabilities, in turn, lead to a true digital picture of customer behavior across devices and touch points. Marketing organizations can then accelerate and automate cross-team marketing planning at a variety of levels — brand, product, program, or campaign — quickly adapting to new and unfolding scenarios.

Brands of tomorrow need to embrace new ideas with the same passion that they embrace new technology. The tech you implement must be there to support the bold ideas required for the next era of marketing.
To boost response rates and generate profitable leads, SAS delivers customer journey activation featuring embedded AI and analytics. These features provide the ability to easily test for web and mobile content, automatically uncover common attributes among customer data, and derive value faster with out-of-the-box insights.

When you add it all up, organizations can extend marketing impact to deliver an experience that brings in customers and keeps them coming back.

But there's a catch. Technology — even the best-in-class variety — will only get you so far. Brands of tomorrow need to embrace new ideas with the same passion that they embrace new technology. The tech you implement must be there to support the bold ideas required for the next era of marketing.

Brands that succeed in the coming decade will put the customer at the center of everything, including their technology, moving beyond loyalty programs and becoming loyalty companies. With the right strategy, it's possible. Bottom line: An unprecedented level of customer understanding is readily available. You only need to reach for it.

Download the full research report, “Delivering Experiences That Win Business and Build Loyalty,” at sas.com/cx-champions.
About the Research

MIT SMR Connections conducted a global online survey that drew responses from 2,670 respondents involved in or familiar with CX activities in their organizations. The survey, conducted in August and September 2021, drew participants from a broad range of industries, with the strongest representation from the financial services, IT/telecom, retail/consumer goods, education, and manufacturing sectors. A comprehensive report on the global findings was published in March 2022. For this regional report, we conducted additional data analysis to identify specific trends in Europe, the Middle East, and Africa. As described in this report, our analysis uncovered key differences between global and regional survey results in terms of CX quality and challenges. However, the industry-specific findings were about the same globally and in EMEA, so readers seeking industry information may wish to review the overall report. To provide a rich context for discussion of the quantitative research results, we interviewed several leading CX practitioners and consultants for both the main survey report and this follow-up regional overview. These individuals provided insight into current trends and future priorities for organizational CX activities.

Acknowledgments

MIT SMR Connections is grateful to the following scholars, authors, and other experts who shared their insights in interviews for this report:

- **Steffi Frison**, Senior Manager, Product & Chapter Area Lead of Analytics, ING Belgium
- **Antonio Grasso**, Founder and CEO, Digital Business Innovation
- **Christian Peter**, Head of Marketing Automation, Commerzbank
- **Olga Potaptseva**, Founder, European Customer Consultancy
- **Kathy van de Laar**, Managing Director, EarlyBridge
