



## FOR IMMEDIATE RELEASE

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### NEW BEYOND PHILOSOPHY STUDY INDICATES CUSTOMER EXPERIENCE MANAGEMENT IS IN DANGER OF EXTINCTION

*Global Study Finds Vodafone and HSBC Rank Most Active CE Companies in Their Respective Industries; Apple Most Admired CE Company Overall*

**Atlanta, September 20, 2011** – While customer experience management (CEM) provides an excellent platform for differentiation, the industry is at high risk of becoming misunderstood into extinction, according to the Beyond Philosophy 2011 Global Customer Experience Management Survey released today.

The study asserts the highest risk factors include use of the term to re-brand projects that have little to do with the customer experience, failure to take account of customers' emotional viewpoints, limitations in adoption of true CEM and the time it takes to execute a CEM program.

“78 percent of CE executives were redeployed with no background in the practice. Additionally, customer experience is being used as a buzzword, with many CRM programs being re-branded as CE,” said Steven Walden, senior head of research and consulting, Beyond Philosophy. “Emotions account for more than half the typical customer experience, thus proper CEM must consider emotions in order to deliver any significant value.”

Despite this, the “big-four” industries – telecoms, banking, retail and IT – spend significant resources on CEM, comprising 63 percent of the CE market, but customer experiences with these organizations remain largely poor.

The information gleaned from the study is designed to assist companies with understanding customer experience management in a way that helps to differentiate their products and services in the face of increasing commoditization. Further, the study sought to establish benchmarks for which regions are most CE-centric, which industries are most CE-active, which companies allocate the most resources to CE, where growth potential is greatest and which companies are most admired by CE leaders.

#### **CE Growth Opportunities by Region**

The regions with the highest allocation of resources to CE are North America (USA and Canada) and the United Kingdom. Yet, the need for a clearer understanding of CE means there are significant growth opportunities in these regions.

#### **HP, Vodafone and HSBC See the Biggest Growth in Resource Allocation for CE**

Across all industries, HP (IT) has seen the greatest allocation of resources to customer experience over the past year, largely due to its Total Customer Experience campaign. The

other companies that have allocated the most resources to CE, in descending order, are HSBC (banking), Vodafone (telecom), GAP (retail) and American Express (financial services).

According to Walden, “It’s important to note that resource allocation does not automatically mean excellent customer experience. In many cases, the companies allocating the most resources are working toward a solution for lackluster CE performance.”

“With the exception of American Express, which frequently earns accolades for its customer experience, the companies we see allocating the greatest amount of resources are widely recognized for providing disappointing customer experiences,” added Walden.

The analysis also includes in-depth vertical market information. The five companies that have seen the greatest resource allocation into customer experience, in two of the most heavily CE-focused industries are, in descending order:

**Telecoms:** Vodafone, Sprint Nextel, AT&T, British Telecom, BSKyB

**Banking:** HSBC, American Express, TD Bank, Bank of America, Wells Fargo

“We’re seeing a large number of companies simply handing out new titles to operations staff without truly committing to customer experience management,” noted Walden. “The lack of effort behind the change ensures the failure of customer experience management in the eyes of corporate leadership.”

### **Technology Companies Reign as Most Admired**

The top three companies most admired by CE experts for the customer experience they deliver are technology companies, with Apple ranking first, followed by Amazon and Zappos.

“Apple has married all the elements of its experience and connected with its customers in a deeply emotional, irrational way,” said Walden, adding, “Amazon put a stake in the ground when it announced it would become the world’s most customer-centric company, and Zappos claims to be a customer service organization that happens to sell shoes.”

“Well-established CRM technologies allow these companies to use the data they collect to deliver a highly-personalized experience,” said Walden. “But there’s something more inherent to the way these leaders deliver the experience; they use the copious data they collect to truly understand customers and their motivations in order to deliver a satisfying experience in a meaningful way.”

Other companies ranking in the top 10 most admired for customer experience include, in descending order: Starbucks (retail), Disney (entertainment), Tesco (retail), Virgin Atlantic (aviation), Vodafone (telecom), Nordstrom (retail) and First Direct (banking).

### **Customer Empowerment through Social Media is the Next Big CE Driver**

The development of a high-value consumer segment in countries such as UAE and China has raised demand for luxury experiences, but customer empowerment through social media is the single biggest driver for future customer experience management.

“The existence of social media provides the ability for customers to have a voice that was never before possible,” commented Walden. “Additionally, Westernization of growing markets and burgeoning middle classes in countries such as India have raised service expectations.”

Governments also have responded to CE, introducing regulation to encourage greater customer focus amongst businesses, e.g., banking in Nigeria, insurance in South Africa and healthcare in the US.

### **Saving CE**

As deregulation continues to drive demand from players in burgeoning markets, understanding what comprises – and what doesn't comprise – customer experience management is essential to the survival of the practice. The research suggests CE leaders recognize the need to build programs based around customer emotions, and that true differentiation can only be achieved through a holistic approach to the practice.

### **Methodology**

The 2011 Global Customer Experience Management Survey is based on analysis of 53 in-depth interviews with CE executives and industry experts and research of 8,000 CE executives from 2,106 "CE-active" companies across 239 countries and regions. Companies and executives were limited to those with a CE presence on an in-country Google site and/or a presence of executives with a CE title on LinkedIn. The research and in-depth interviews were conducted between June and September 2011.

The universe included a cross-section of experts and industries. The regional breakdown is as follows: Western Europe: 27%, North America: 19%, Eastern Europe/Russia: 10%, Middle East: 10%, South America: 6%, Africa: 6%, India: 6%, Southeast Asia: 6%, Australasia: 6%, Caribbean: 2%. Experts from the following industries were included: telecoms: 21%, banking: 19%, other CE experts: 19%, insurance: 10%, manufacturing: 6%, retail: 6%, automotive: 6%, utilities: 2%, construction: 2%, charities: 2%, logistics: 2%, healthcare: 2%, oil: 2%, outsourcing: 2%.

### **About Beyond Philosophy**

Founded in 2002, Beyond Philosophy is a leader in helping organizations to create deliberate, emotionally engaging Customer Experiences that drive value, reduce costs and build competitive advantage. Specializing in strategic consultancy services, custom research, training and education, the company's thought leaders have also pioneered new methods of analyzing both the rational and emotional sides of the Customer Experience. Beyond Philosophy's four internationally bestselling books – *Building Great Customer Experiences*; *The DNA of Customer Experience*; *Revolutionize Your Customer Experience*; and *Customer Experience: Future Trends and Insights* – are available through the company's website or through any bookseller.

Beyond Philosophy maintains offices in Atlanta, Georgia and London, England. Additional information can be found at [www.beyondphilosophy.com](http://www.beyondphilosophy.com).

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## BEYOND PHILOSOPHY

### 2011 GLOBAL CUSTOMER EXPERIENCE MANAGEMENT SURVEY

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#### CUSTOMER EXPERIENCE RESOURCE ALLOCATION, OVERALL TOP 20 COMPANIES

Selection Criteria	Top 20
<b>Do you have a strong presence in the USA or UK <u>AND</u> &gt;30 CE executives disclosed?</b> <ul style="list-style-type: none"><li>• USA over UK unless &gt;20 countries spread</li><li>• All have over 10 countries spread, or if no spread over 100 CE executives</li></ul>	<ol style="list-style-type: none"><li>1. HP</li><li>2. HSBC</li><li>3. Vodafone</li><li>4. GAP</li><li>5. American Express</li><li>6. Dell</li></ol>
<b>Do you have a strong presence in the USA or UK <u>AND</u> 20 or more CE executives disclosed?</b> <ul style="list-style-type: none"><li>• USA over UK unless 15-20 countries spread</li></ul>	<ol style="list-style-type: none"><li>7. Citibank</li><li>8. Best Buy</li><li>9. Sprint Nextel</li><li>10. AT&amp;T</li><li>11. TD Bank</li><li>12. Bank of America</li><li>13. All State Insurance</li><li>14. Wells Fargo</li><li>15. BT</li><li>16. BSkyB</li><li>17. Lloyds Bank</li></ol>
<b>Do you have a strong presence in the USA or UK <u>AND</u> 15-20 CE executives disclosed?</b>	<ol style="list-style-type: none"><li>18. Telstra</li><li>19. Verizon</li><li>20. T-Mobile</li></ol>

Executives are by disclosure: the identified executives give direction of focus and are for cross-comparison purposes.

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Source: *Beyond Philosophy 2011 Global Customer Experience Management Survey*  
2,106 companies, and CE experts

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BEYOND PHILOSOPHY

2011 GLOBAL CUSTOMER EXPERIENCE MANAGEMENT SURVEY

CUSTOMER EXPERIENCE RESOURCE ALLOCATION, TELECOMS  
TOP 25 COMPANIES

Selection Criteria	Top 25
<p><b>Do you have a strong presence in the USA or UK <u>AND</u> &gt;30 CE executives disclosed?</b></p> <ul style="list-style-type: none"> <li>• USA over UK unless &gt;20 countries spread</li> <li>• All have over 10 countries spread, or if no spread over 100 CE executives</li> </ul>	<ol style="list-style-type: none"> <li>1. Vodafone</li> <li>2. Sprint Nextel</li> <li>3. AT&amp;T</li> <li>4. BT</li> <li>5. BSKyB</li> <li>6. Telstra</li> </ol>
<p><b>Do you have a strong presence in the USA or UK <u>AND</u> 10 or more CE executives disclosed?</b></p>	<ol style="list-style-type: none"> <li>7. Verizon</li> <li>8. T-Mobile</li> <li>9. Virgin</li> <li>10. Orange</li> <li>11. O2</li> <li>12. Nokia</li> </ol>
<p><b>Do you have a strong presence in the Mid-High tier growth markets?</b></p> <ul style="list-style-type: none"> <li>• More than 10 CE executives, or 10 CE execs and more than 5 countries</li> </ul>	<ol style="list-style-type: none"> <li>13. Bell Canada</li> <li>14. Optus</li> <li>15. Rogers Communications</li> <li>16. Telus</li> <li>17. Telenor</li> </ol>
<p><b>Do you have a strong presence in the Mid-Low tier growth markets?</b></p> <ul style="list-style-type: none"> <li>• More than 10 countries, or more than 20 CE executives</li> </ul>	<ol style="list-style-type: none"> <li>18. MTN</li> <li>19. Bharti Airtel</li> <li>20. Turkcell</li> <li>21. Etisalat</li> <li>22. Du</li> <li>23. Zain</li> <li>24. LIME</li> <li>25. Telefonca</li> </ol>

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## BEYOND PHILOSOPHY

### 2011 GLOBAL CUSTOMER EXPERIENCE MANAGEMENT SURVEY

#### CUSTOMER EXPERIENCE RESOURCE ALLOCATION, BANKING TOP 25 COMPANIES

Selection Criteria	Top 25
<p><b>Do you have a strong presence in the USA or UK <u>AND</u> &gt;30 CE executives disclosed?</b></p> <ul style="list-style-type: none"> <li>• USA over UK unless &gt;20 countries spread</li> <li>• All have over 10 countries spread, or if no spread over 100 CE executives</li> </ul>	<ol style="list-style-type: none"> <li>1. HSBC</li> <li>2. American Express</li> <li>3. TD Bank</li> <li>4. Bank of America</li> <li>5. Wells Fargo</li> <li>6. Lloyds Banking Group</li> </ol>
<p><b>Do you have a strong presence in the USA or UK <u>AND</u> 10 or more CE executives disclosed?</b></p>	<ol style="list-style-type: none"> <li>7. Citibank</li> <li>8. GE Capital/Money/Health</li> <li>9. J.P. Morgan Chase</li> <li>10. Fidelity Investment</li> <li>11. RBS</li> <li>12. Barclaycard/Barclays</li> <li>13. Fifth Third Bank</li> <li>14. Wachovia</li> <li>15. IFDS</li> <li>16. Capital One</li> </ol>
<p><b>Do you have a strong presence in the Mid-High tier growth markets?</b></p> <ul style="list-style-type: none"> <li>• Banks with more than 5 CE executives</li> </ul>	<ol style="list-style-type: none"> <li>17. Westpac</li> <li>18. NAB</li> <li>19. ANZ</li> <li>20. Commonwealth Bank</li> <li>21. Absa</li> <li>22. Suncorp</li> </ol>
<p><b>Do you have a strong presence in the Mid-Low tier growth markets?</b></p> <ul style="list-style-type: none"> <li>• Banks in more than 5 countries, or with more than 20 CE executives</li> </ul>	<ol style="list-style-type: none"> <li>23. Standard Chartered</li> <li>24. Scotia Bank</li> <li>25. Standard Bank</li> </ol>

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Source: *Beyond Philosophy 2011 Global Customer Experience Management Survey*  
2,106 companies, and CE experts

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## BEYOND PHILOSOPHY

### 2011 GLOBAL CUSTOMER EXPERIENCE MANAGEMENT SURVEY

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#### TOP 10 COMPANIES WITH MOST ADMIRED CUSTOMER EXPERIENCE

Rank	Company
1	Apple
2	Amazon.com
3	Zappos.com
4	Starbucks
5	Disney
6	Tesco
7	Virgin Atlantic
8	Vodafone
9	Nordstrom
10	First Direct

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Source: *Beyond Philosophy 2011 Global Customer Experience Management Survey*  
CE experts

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