

## Delighting the Customer: The Rise of the CXO in a Big Data World

The rise of digital has dramatically increased the number of customer touchpoints, from intuitive websites to customer service chat help to social media to e-commerce. While this new landscape provides increased opportunities for companies to reinforce their brand and create positive consumer engagement, it also increases customers' expectations and brings more chances for them to have a disconnected, fragmented experience.

In today's ever-changing marketplace, customer interaction carries a great deal of strategic weight: a study by Gartner found 89 percent of companies are competing based on customer experience, and 9 out of 10 marketing leaders say their organization is trying to become more customer-centric. In this age of social media, customer experiences are shared quickly and brand loyalty is at a premium.

This high-pressure environment has led to the increasing popularity of the chief experience officer (CXO). In this position, a member of the C-suite is responsible for the customer journey and uses data to ensure the company creates personalized, brand-consistent experiences.



“In a global organization, our biggest challenge is to ensure there is uniformly excellent customer experience across the world,” says Libby Roy, CEO of PayPal for Australia and New Zealand. “We have the constant threat of being disrupted by our competitors. We are now serving global citizens, and therefore we need to maintain a very high standard of customer service throughout.”

## HOW DATA AFFECTS THE CUSTOMER EXPERIENCE

Creating a CXO role raises the visibility of customer-centric priorities, and provides a platform for building new capabilities and ways of working. When companies only had access to generalized data about consumer behavior, marketing tactics only addressed broad segments. Consider, for example, that hotels could previously only segment customers into business or leisure categories. Now, by using Big Data, hotel chains can customize the customer’s room size, price and even the preferred pillow softness.

Indeed, organizations can use Big Data to cater to individual customer needs on a highly personalized level. The CXO provides a direct link between the clients and the organization, prioritizing customer satisfaction and ensuring a cohesive overall experience.

“We want to be able to identify and upgrade the customer experience as it’s happening,” says Buhdy Bok, president of Carnival Asia. “Within the cruise business, a lot of ships provide standard offerings without customization. We want to change that, and the idea is to surprise and delight consumers.”

CXOs work to improve the experience for both internal customers (employees, vendors and suppliers) and external (purchasing clients, wholesalers and service agencies). The position combines a need for a meticulous eye for details with the ability to synthesize data, creating a singular point of contact for quality control. A CXO deconstructs the customer experience into micro-interactions while also using deep analytics — a CXO may oversee A/B testing on the company’s website to learn consumers’ preferences, for instance.

“We now measure customer satisfaction on a granular basis,” says Andrew David, chief executive officer with Qantas Domestic. “So I know how well we’re doing in every part of our customer journey — from our call

centers to our boarding experiences to the quality of our food and lounges. I would know immediately if some parts are not doing too well.”

The scope of this position means “a customer experience executive needs to have multi-faceted skills,” David continues. “The ideal people for this job are strategic, have a great appreciation of digital IT and a strong passion for customers. They need to have strong people leadership skills, because they will be working across different functions and

platforms. Most importantly, they must have a can-do attitude, and an ability to understand what’s possible.”

That intangible element is crucial, echoes Ralph Brunner, chief customer experience and data analytics adviser at PLDT Group in Manila, and formerly Asia CMO and founder of the center of excellence for data analytics for a leading global insurance firm. “You have to hire dynamos who partner really well and like to make a difference through collaboration,” he says. “They need to be bubbling with ideas. Otherwise, they simply won’t succeed.”

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**LIBBY ROY**  
CHIEF EXECUTIVE OFFICER, PAYPAL  
AUSTRALIA AND NEW ZEALAND

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## WHO BECOMES A CXO?

Brunner notes his job involves working across the business with different functions. “On a day-to-day basis, my duties are based around focusing on the customer experience, but that can take several forms,” he says. “The work includes working with the marketing team, distribution and frontline sales, telemarketers, and the data analytics group. I also listen to customers, conduct consumer research, use advanced data analytics to make more personalized recommendations and look at the product strategy. In the end, I see product, service and experience as one total value proposition.”

Many CXOs are internal hires who previously held division president roles, with marketing or sales being a popular background. Their place varies within the business structure, but it’s clear that they belong on the executive team so they can emphasize the customer experience and prioritize resources toward this end. Some put the position beneath the chief marketing officer (CMO), while others — such as Brunner — recommend the CXO should report directly to the global CEO.

“Where I’ve seen CXO teams as a standalone profit center, businesses ignore them or see them as a competitor,” he says. “If there is a regional CXO, that position should report up to the global CXO for functional expertise and personal growth.”

## AVOIDING THE PITFALLS

Because the CXO position is relatively new, the position can come with pitfalls. For starters, some of the roles that a CXO could be responsible for may overlap with the accountability of the CMO or even the chief digital

officer (CDO). If CXOs are going to be effective, they must have properly defined roles that are clearly scoped, enough authority to effect change and the unequivocal support of colleagues. Defined deliverables and accountabilities, clear metrics, and objectives that are shared across the team can empower new CXOs and increase the likelihood that they will receive the requisite support from other executives.

There can also be skepticism that data can provide insight into subjective experiences. “We’ve seen some cynics say, ‘I know my customers, I don’t need analytics,’”

Brunner told us. “But actually, analytics enhances their performance. In one Asian country, we saw a 9 percent uplift in conversion rates among good agents, but a 19 percent increase among top agents, after both groups used our analytic recommendations. Analytics is for everyone and can benefit everyone.”

While CXOs can be beneficial to many companies, organizations that have been a step slower in joining the digital revolution could especially use their insight. An astute, aggressive CXO can serve as a catalyst for change by focusing management team attention, establishing a platform for collaboration among leaders and functions, and signaling the

importance of related initiatives.

In the end, the goal of the CXO is to boost growth by providing positive customer experiences and ensuring the brand is harmonious across the spectrum. “It is not just about fixing today, but to align to our vision in the long term,” Bok says. “It forces us to ask: How do you want your customer to be treated? What do you want your customer to experience? How do we achieve that? We want to map out the customer journey because, as we know, happy customers spend more.”

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**RALPH BRUNNER**  
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