

Design-Led Firms Win The Business Advantage

A Focus On CX Strategy And
Execution Reaps Rewards

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Project Director: Christine Murray Brozek, Market Impact Senior Consultant
Contributing Research: Forrester's Customer Experience research group

Executive Summary

Today's digitally empowered customers expect seamless experiences that allow them to interact with brands how they want, when they want, and where they want. These expectations are constantly evolving as consumers are exposed to new experiences and technologies, and customer experience (CX) competition for customers' attention is intensifying amid the continued proliferation of devices, displays, and interfaces.

In this changing landscape of customer goals and choices, design becomes a key business advantage. A well-crafted experience — one based on deep customer understanding, effective visuals, and relevant interactions — can make the difference between a loyal, repeat customer and one who gives up and walks away unsatisfied. As one notable designer put it, "Design isn't just about beauty; it's about market relevance and meaningful results."¹

In July 2016, Adobe commissioned Forrester Consulting to explore the hypothesis that embedding design practices in digital CX strategy creates a tangible and measurable business advantage. Drawing from Forrester's existing research and frameworks, Forrester developed a design maturity framework (see Appendix C) that was then tested, validated, and refined based on six in-depth qualitative interviews that examined the factors that define a differentiated design practice and how these factors impact the business outcomes of digital CX.

Definition of a differentiated — or design-led — practice: Design is seen as a strategic differentiator for the organization. Formal design processes are established for marketing, product, and customer experience initiatives. Design is integral to shaping digital CX and is involved at every stage when strategy is being set.

To expand on the insights gathered from the qualitative interviews, Forrester conducted a quantitative survey of 339 digital CX decision-makers at enterprises in the US, the UK, France, Germany, South Korea, Australia/New Zealand, and Japan. Based on the framework and the qualitative interviews, we grouped respondents into two cohorts based on the extent to which design influenced their firm's digital CX strategy: design led and non-design led.

Our study found that companies that embed design thinking in digital CX strategy — those that we classified as design

led — achieve tangible business benefits. Moreover, we found that the more that design is embedded in digital CX strategy, the more these benefits are achieved.

KEY FINDINGS

Forrester's study yielded three key findings:

- › **The impact of collaborative design processes, which are embraced and facilitated by users and leadership alike, is broad-reaching in a differentiated practice.** In design-led firms, design permeates the organization beyond the product teams; it's embedded in the culture. And there is an ambition to always do better.
- › **Design staff, leaders, and overall employee belief in the value of design are all important components of a design-led organization.** These companies support a range of skills, from more senior or more strategically oriented designers to more junior or more tactical designers. Teams use collaborative processes and tools to unify working groups.
- › **Design-led firms embed tactical and production-level design from strategy through application across the user's experience.** Design is used both at the strategy-setting level and to tell a consistent story across the user experience. Design focuses on experience design as much as visual design, and there is a shared brand vision among employees, who internalize design as a core value of the organization.

Design-Led Firms Excel At CX Strategy And Implementation

Today's consumers, empowered with devices and technology, are using the tools at their fingertips to make more informed choices. Their expectations are high and continuing to evolve, and if an experience is not well designed, they will simply choose to take their business elsewhere. Companies must create exceptional digital experiences in order to stand out in an ever-expanding competitive landscape. To survive, brands must be customer obsessed; they must understand that consumers see a brand, not multiple channels, and they must deliver a consistent and seamless experience that connects with consumers on an emotional level.

The vast majority of firms today understand the importance of CX, but not all are able to connect the dots across channels, devices, and moments to tell a consistent brand story that resonates with consumers. Others, however, are embedding design thinking in digital CX strategy; these companies understand that design defines the visceral presence of a brand, which is critical in today's digital landscape.

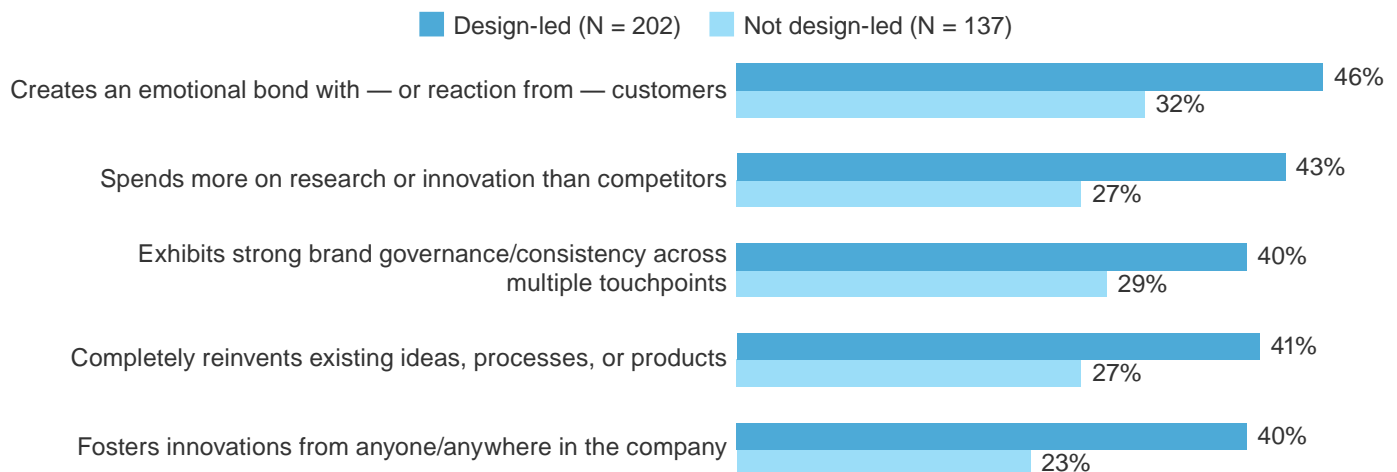
According to our study, design-led firms exhibit the following behaviors far more than their non-design-led peers:

- › **Consciously put the customer first.** Nearly half (46%) of design leaders cited creating an emotional bond with customers as a defining characteristic of an advanced design practice. Meanwhile, under one-third of those in the non-design-led cohort felt the same (see Figure 1). Moreover, taking a deeper look at our design-led group, firms that stated that design *significantly* influences digital CX strategy were even more likely to cite creating an emotional bond with customers than those who stated that design *moderately* influences digital CX strategy. Similarly, 46% of those that reported the highest influence of design on digital CX agreed that strong brand governance and consistency across touchpoints is a defining characteristic of an advanced design practice, as opposed to the 30% of those that reported moderate influence of design on digital CX.

FIGURE 1

Defining An Advanced Design Practice

“In your opinion, which of the following characteristics do companies with more *modern or advanced design practices* exemplify that other companies with less mature or modern design practices do not?”
(Select all that apply)



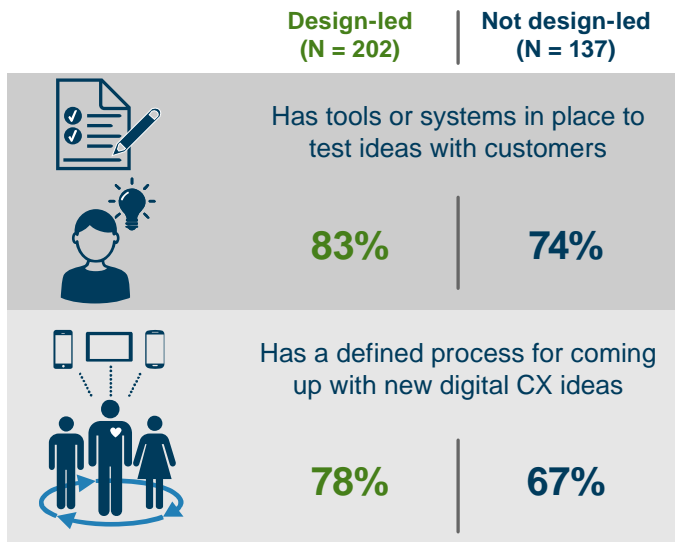
Base: variable decision-makers directly responsible for digital customer experience at organizations within the US, UK, FR, DE, KR, AU/NZ, and JP

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

- › **Use tools or systems to test ideas with customers.** Eighty-three percent of design-led companies currently have tools or systems in place to test ideas with customers. Seventy-eight percent use a defined process for coming up with new digital CX ideas (see Figure 2).

FIGURE 2

Companies That Prioritize Design Are More Likely To Use Tools And Processes To Innovate



Base: variable decision-makers directly responsible for digital customer experience at organizations within the US, UK, FR, DE, KR, AU/NZ, and JP

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

For those at companies where design plays a *significant* role in digital CX strategy, that number jumps to 87% (versus 64% at companies where design plays a *moderate* role). Design leaders know that research and the ability to deeply understand the customer are important. They also know the importance of disseminating insights to shape overall strategy and implementation. According to the SVP of CX at a digital transaction management company:

“We do a lot of research on UX and how we can make experiences better for customers. I call it *insights to action*; as we collect these insights we route them somewhere. Ultimately, the *customers decide the way they want to operate with us.*”

— SVP CX, digital transaction management company

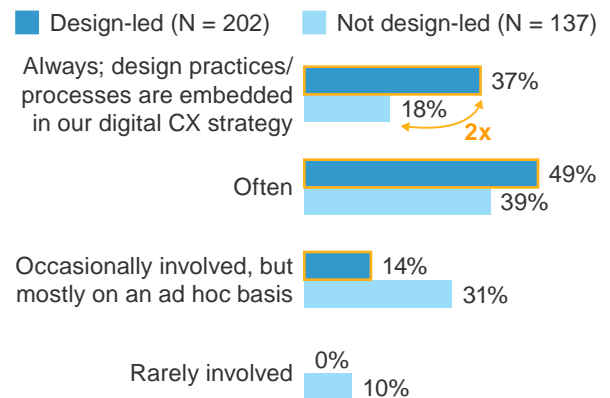
- › **Involve design teams in shaping digital CX strategy.** Eighty-six percent of design-led firms often or always involve design teams in shaping digital CX (see Figure 3).

FIGURE 3

Majority Of Design-Led Firms Often Or Always Involve Design Teams In Digital CX Strategy

“To what extent are people from your company’s design team(s) involved in shaping digital CX strategy?”

(Please select one)



Base: variable decision-makers directly responsible for digital customer experience at organizations within the US, UK, FR, DE, KR, AU/NZ, and JP

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

What’s notable here is the people component; while our design-led cohort cited design as a moderate or significant influencer of their digital CX strategy, this data goes a bit further in demonstrating the importance of design teams in shaping the digital experience. Moreover, those that stated that design plays a significant role in shaping digital CX are more than twice as likely to also state that design teams are *embedded* in shaping digital CX strategy.

Being truly customer obsessed requires a deep understanding of how customers view your brand across all touchpoints and the ability to connect with them on an emotional level. Design-led companies understand the importance of leveraging design thinking in delivering consistent, seamless experiences across devices and channels to meet the rapidly rising expectations of the perpetually connected consumer.

Lagging Firms Play Catch-Up And Focus Less On Internal Talent And Capabilities

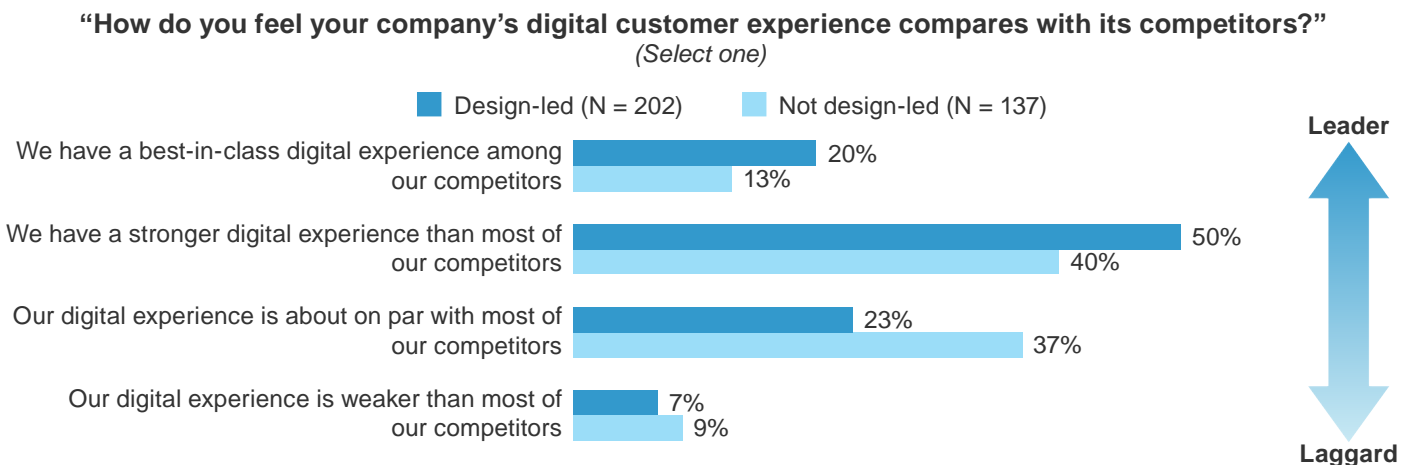
Taking a design-centric approach to digital CX is more than cooking up a pretty website redesign and checking it off the list. Add a mountain of legacy systems and longstanding organizational silos to an already fiercely competitive landscape, and leveraging design processes — not just intentions — in CX strategy becomes much more of a challenge. Too many businesses remain segmented into silos optimized to perform isolated functions well but incapable of cooperating across departments, which stifles their ability to create customer experiences that respond to customers' needs.

Silos are a significant challenge for many companies today; a fragmented CX ecosystem thwarts differentiation and inhibits a culture of collaboration and cross-pollination, ultimately preventing a holistic CX strategy. But firms with less differentiated or defined design practices also face other challenges and shortcomings. According to our study, companies lagging in design:

- › **Have a digital experience that is weaker or just on par with competitors.** Almost half (46%) of companies that don't embed design in digital CX strategy reported that their digital CX is on par or *weaker* than competitors. Meanwhile, 70% of design-led companies reported having a stronger or *best-in-class* digital experience compared with competitors (see Figure 4). And again, this competitive advantage is even more pronounced in firms that prioritize design the most.
- › **Are hindered by legacy systems.** Almost one-third (32%) of companies we surveyed cited legacy systems and processes as a challenge when developing or improving a modern or advanced design practice because they impede being lean and agile. A fragmented technology landscape blindfolds employees and executives and stops CX improvements dead in their tracks.² While legacy systems hinder both groups, design-led firms realize there are tangible business advantages to overcoming those hindrances and prioritize efforts that prove the value of embedding design in CX strategy. This means cultivating a cohesive and connected culture that enables companies to see the customer experience more holistically.

FIGURE 4

Embedding Design In Digital CX Strategy Equates To Competitive Differentiation



Base: variable decision-makers directly responsible for digital customer experience at organizations within the US, UK, FR, DE, KR, AU/NZ, and JP

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

“When I started, the brand was a mess. Our team has since then turned it into a **design-focused culture** and a place that thinks about that kind of stuff more thoughtfully than ever before. It wasn’t scrutinized very much when I started; now it’s scrutinized a lot. We’ve captured the intention and interest of senior leadership.”

— VP, sr. creative director, financial services firm

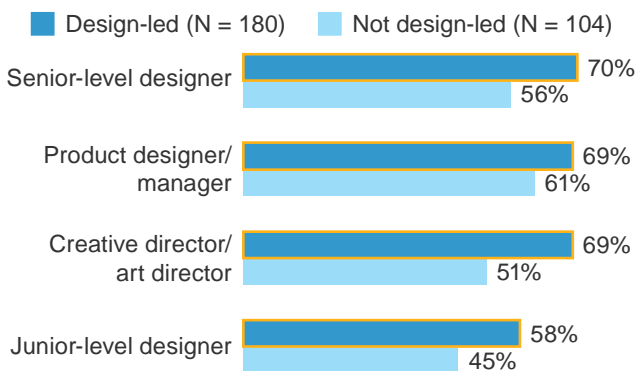
- › **Appear to focus less on fostering their own in-house talent and capabilities.** We asked firms about both their in-house staffing and capabilities as well as their third-party and/or contracted employees. Not surprisingly, design-led firms reported more design employees overall than companies not as focused on design in digital CX strategy (see Figure 5). However, design leaders were also far more focused on fostering their own internal talent and capabilities, while design laggards turn to contractors. Moreover, design-led firms staff roles across all levels, from junior designers to creative directors.

FIGURE 5

Majority Of Design-Led Firms Often Or Always Involve Design Teams In Digital CX Strategy

“Which of the following people/roles are part of your company’s in-house design team(s)?”

(Select all that apply)



Base: variable decision-makers directly responsible for digital customer experience at organizations within the US, UK, FR, DE, KR, AU/NZ, and JP

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

This, in particular, is a hallmark of being a design leader in the digital CX space and beyond. Having the right number of design employees is a must, but ensuring the workforce spans roles that focus on tactical elements *and* visionary and strategic elements is critical. Corporate leadership and employees across the organization must recognize the value of design and champion it within and outside the company. According to one of the design leaders we spoke to:

“Initially, most of our designers were very young and junior — very tactical — and they lacked the design skills and experience to go beyond ad hoc execution. They needed mentors. So we focused on hiring senior people that could be peers of the product and engineering directors as well as have higher-level strategy conversations. If you only have...tactical-level designers and skills, you are never going to have those necessary higher-level conversations.”

— SVP CX, digital transaction management company

Overall, companies lagging in design are coming up short. They struggle to keep up with and engage with customers and employees alike, thwarted by fragmented technology ecosystems and processes. Most of all, they are missing out on the very real business advantages of a digital customer experience rooted in design thinking.

Design-Led Firms Win The Business Advantage

As noted previously, design defines the visceral presence of a company and its products; it can either make or break the customer experience, causing a significant impact on the bottom line.³ Design thinking isn’t a new concept, nor is focusing on CX a new business frontier, but many firms are not aware of the very real and tangible business advantages of embedding design at the core of CX. Companies that do leverage design practices to align the customer journey and all its touchpoints are empathizing more with customers, telling a more consistent brand story, and investing in talent and capabilities that promote a culture of collaboration and shared identity/vision. And when it comes to the bottom line, these practices are paying off.

Based on our study's findings, design-led companies:

› **Attain more satisfied and loyal customers, competitive advantages, and greater market share than companies with a less mature design approach.**

Companies that take a design-centric approach to engaging with and delighting customers know the significant business advantages of doing so. Forty-one percent of design leaders reported greater market share as an advantage to having more advanced design practices, and 46% listed competitive advantage/wins as another advantage. Fully half of our design-led respondents reported more satisfied and loyal customers as a benefit of advanced design practices (see Figure 6). These companies put design at the core of their CX ecosystem and business, and they know firsthand the real advantages of doing so. On the other hand, companies with less advanced design practices underestimate the benefits; under or around one-third of these respondents think that a more modern design practice boosts market share and competitive advantages and leads to more satisfied and loyal customers. So we have the design-led cohort, familiar with the advantages of being design led,

citing significant benefits of being a design leader. Then we have the design laggards, those that don't take a design-centric approach to CX, significantly underestimating the benefits of doing so. This shows a big gap in recognizing and reaping the benefits of being design led by companies that know the advantages *from experience* versus those that do not.

- › **Are more likely to cite design as a critical component to brand.** Not only did 91% of design-led companies list design as a critical component to digital CX strategy, but 85% listed design as a critical component of *brand* (see Figure 7). Likewise, as we saw earlier in Figure 1, they listed strong brand governance/consistency as a defining characteristic of advanced design practices. Customers expect seamless experiences that span devices; they can interact with your brand whenever and wherever they'd like, and they expect every encounter to meet their needs in the moment. For today's companies, this means the brand experience/story is paramount, and it must be consistent across touchpoints, devices, channels, and moments for customers — as well as across organizational groups, strategy, and vision for employees.

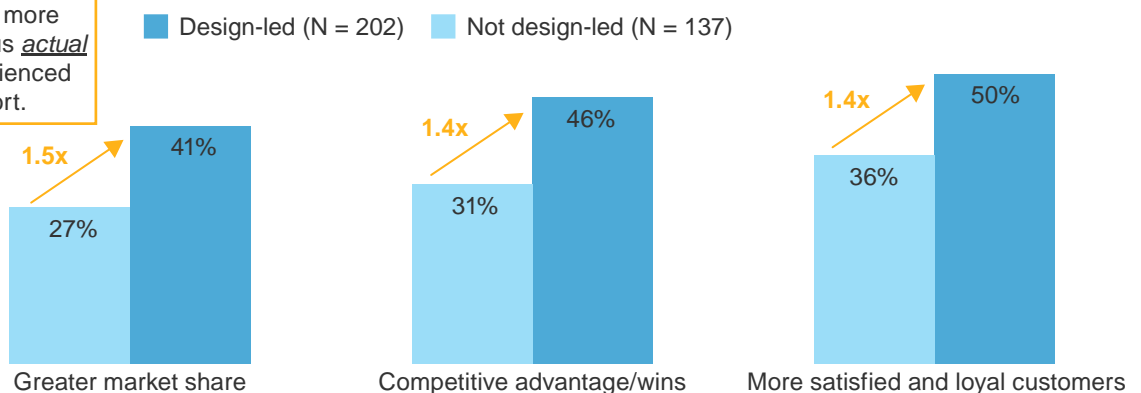
FIGURE 6

Companies With Less Advanced Design Practices Underestimate The Business Benefits of Design-Led CX

“In your opinion, what are the advantages, if any, that companies with more modern or advanced design practices experience?”

(Select all that apply)

Aspirational vs. actual: Advantages reported by the not design-led cohort are more perceived advantages versus actual advantages realized/experienced by the design-led cohort.



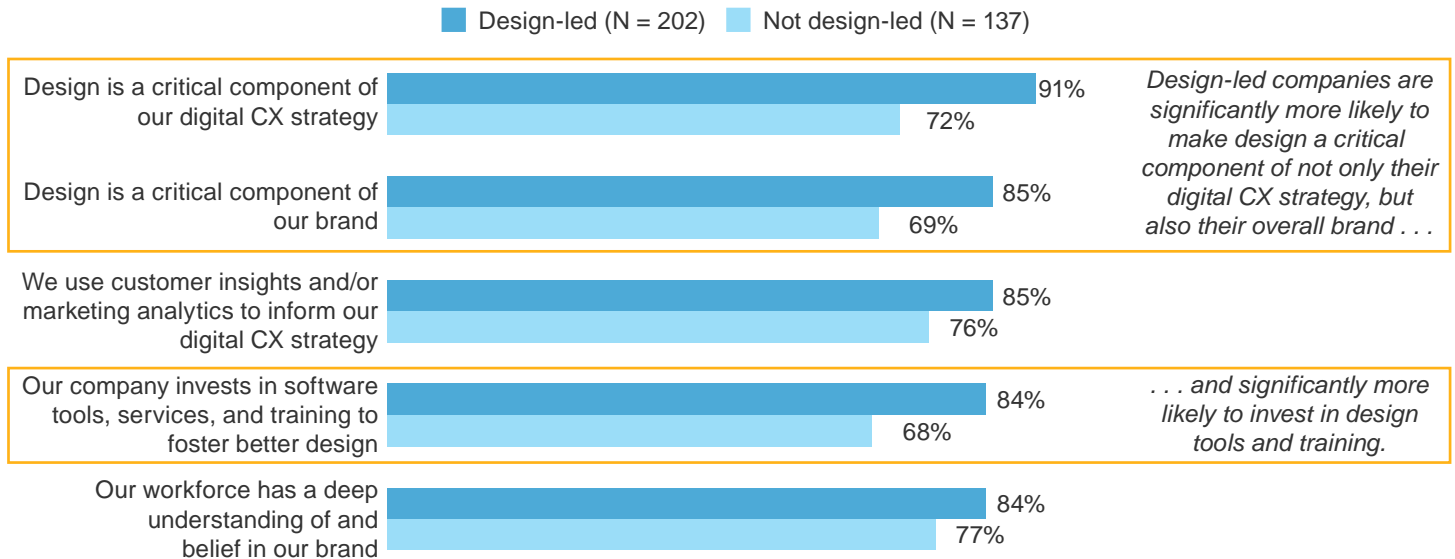
Base: variable decision-makers directly responsible for digital customer experience at organizations within the US, UK, FR, DE, KR, AU/NZ, and JP

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

FIGURE 7

Companies With Less Advanced Design Practices Underestimate The Business Benefits of Design-Led CX

“Thinking about your company, to what extent do you agree with the following?”



Base: variable decision-makers directly responsible for digital customer experience at organizations within the US, UK, FR, DE, KR, AU/NZ, and JP (combined “strongly agree” and “agree” for top five responses shown)

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

Figure 7 also shows that design-led companies are more likely to invest in tools, services, and training to foster better design. Going back to the challenge of legacy systems and processes, design-led firms are concentrating on overcoming this challenge by focusing on tools that enable collaboration, cross-pollination, innovation, and consistency through design.

“A lot of people think of rebranding as a project, and it’s not. It’s not about a logo. **It’s not something that one team can do. It’s a cultural transformation.** You have to influence every person in the company. They need to learn about what the new brand is, and they need to feel like it’s theirs.”

— Head of design, software company

› **Aspire to continuously improve processes and resulting experiences.** Perhaps one of the most resounding attributes of top design leaders is the

aspiration to continuously push the envelope and establish new norms. CX competition is fierce, so it’s rare for consumers to have truly awful experiences.⁴ This makes it even more critical for brands to differentiate and stand out from the herd — as well as more difficult. But companies that lead with design, innovate constantly, and connect with customers on an emotional level are not satisfied meeting current norms, nor should they be. As one design leader we spoke with put it,

“*The objective of our company as a whole is that we have to consistently be **changing the way the game is played.***”

— VP, senior creative director at financial services company

Leading brands understand that you're never done. Opportunities remain to improve prioritization and silo-bridging. Design leaders and laggards alike should focus on the hallmarks of design maturity — people, processes, and priorities — in order to differentiate and win in the age of the customer (see Figure 8). For more on levels of design maturity, see Appendix C.

FIGURE 8

The Hallmarks Of Design Maturity

Dimension	Criteria	Description
People	Designers	A variety of roles fall under the rubric of design, including design researchers, prototypers, and content strategists.
	Leaders	Design leadership includes mentors and dedicated owners of design at the senior level.
	Employees	Staff across the organization understand the role design plays.
Processes	Strategy	Design is integral to shaping product and service strategy.
	Research	Research is used to shape strategy and inform implementation.
	Design	A formal design process is established for marketing, product, and customer experience initiatives.
Priorities	Scope	Design is applied to all components (digital and nondigital) of the customer experience.
	Measures	Quality of customer experience design is reflected in KPIs.
	Values	Design is seen as a strategic differentiator for the organization.

Source: Design Maturity Framework, Forrester

Key Recommendations

Companies hoping to drive customer loyalty and stand out in an increasingly competitive landscape filled with a growing number of digital touchpoints and rising customer expectations must put design at the core of their business. Brands should assess their design maturity and follow these recommendations to deliver superior, design-led digital experiences that ultimately drive business results:

- › **Include a variety of roles under the rubric of design.** For design-led companies, the scope of design incorporates not just visual or interactive design, but research, interactive wireframing, and other processes for uncovering customer needs, planning and mapping customer goals, and executing customer experiences. Make sure your definition of design is not limiting from the start.
- › **Foster design leadership across roles and seniority, from individual mentors to the C-suite.** As we saw from the survey and interviews, those firms that were design led placed greater emphasis on training, mentorship, and support for design across the organization. And teams that are well supported are better positioned to feed their own stated ambitions for continuous improvement.
- › **Establish cross-functional design processes and champion them throughout the organization.** Design-led firms know that this is not just a one-department initiative and that success is achieved when a design mentality permeates the organization. To do this requires concerted effort involving hands-on exercises, shared learnings, cross-functional project teams, and vocal advocates.
- › **Allocate design capabilities across the full experience spectrum, from visioning to execution.** Our high achievers in the survey considered both short-term needs and long-term aspirations, enabling them to bridge both strategy and practice. To do this requires that companies put dedicated effort to fostering the craft of design as well as a design-thinking approach across the organization.

Appendix A: Methodology

In this study, Forrester first developed a design maturity framework that was then tested, validated, and refined based on six in-depth qualitative interviews with design leaders at enterprises in the US and the UK. These interviews examined the factors that define a differentiated design practice and how these factors impact the business outcomes of digital CX. To expand on the insights gathered from the qualitative interviews, Forrester then conducted a quantitative survey of 339 digital CX decision-makers at enterprises in the US, the UK, France, Germany, South Korea, Australia/New Zealand, and Japan. Based on the framework and the qualitative interviews, we grouped respondents into two cohorts based on the extent to which design influenced their firm's digital CX strategy: design led and non-design led.

Appendix B: Supplemental Material

RELATED FORRESTER RESEARCH

"The Future Of Customer Experiences," Forrester Research, Inc., June 21, 2016

"Case Study: IBM Builds A Design-Driven Culture At Scale," Forrester Research, Inc., September 23, 2015

Appendix C: Demographics/Data

FIGURE 9

Respondent Demographics: Geography

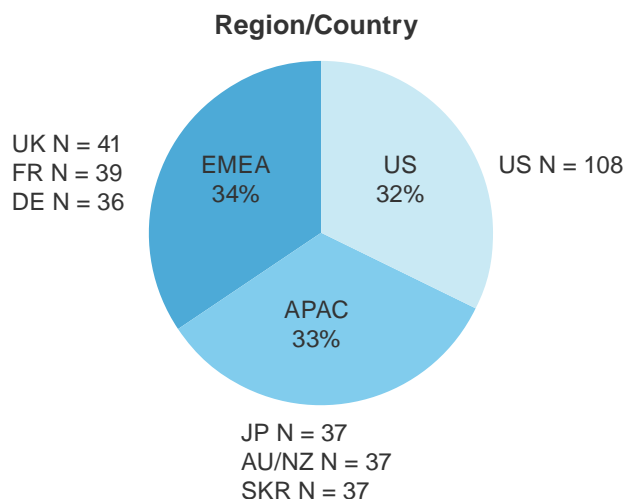
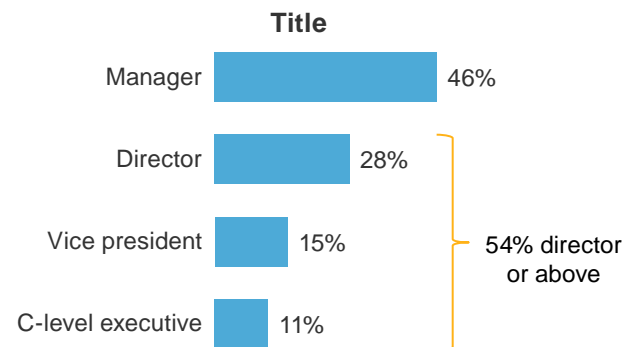


FIGURE 10

Respondent Demographics: Role



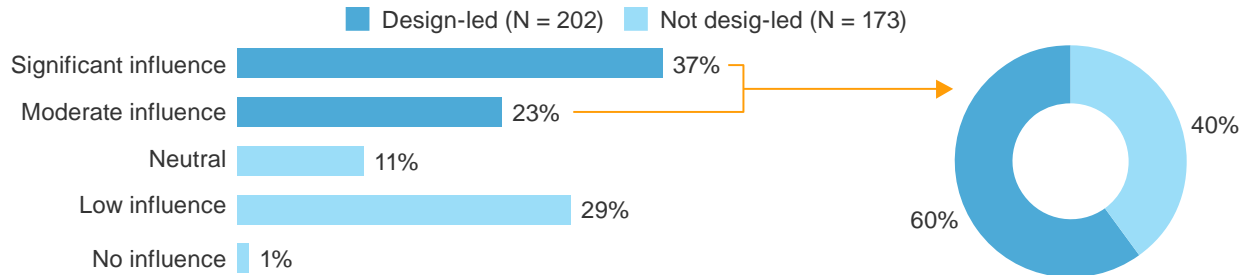
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Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

FIGURE 11

Design Led Versus Not Design Led

“To what extent does design influence your company’s overall digital customer experience (CX) strategy?”



Base: 339 decision-makers directly responsible for digital customer experience at organizations within the US, UK, FR, DE, KR, AU/NZ, and JP

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

FIGURE 12

Levels Of Design Maturity

Differentiated

Design is seen as a strategic differentiator for the organization. Formal design processes are established for marketing, product, and customer experience initiatives. Design is integral to shaping digital CX and is involved at every stage when strategy is being set. Quality of customer experience design is reflected in key performance indicators. The organization has dedicated owners for design at the VP and/or C level. Design teams extend beyond traditional design roles to include design researchers, prototypers, and content strategists.

Established

Formal processes are established and embedded as a standard part of most product and marketing initiatives. The organization has design leaders at the manager and/or director level. Design teams are staffed with skilled graphic and interaction designers.

Ad hoc

Design takes place in silos on an ad hoc basis with little consistency and is applied primarily to surface-level considerations (e.g., digital campaigns, graphical styling, basic interface design, etc.) rather than embedded in strategy. The firm has a small number of design practitioners on staff; larger design initiatives are outsourced.

Absent

There is no design in the organization beyond basic branding. Design activities in marketing, product, and/or development are ad hoc, absent, minimal, or an afterthought. Any design work that does take place is done by nondesigners.

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, July 2016

Appendix D: Endnotes

¹ Source: John Maeda, "2016 Design In Tech Report," Kleiner Perkins Caufield & Byers, March 14, 2016.

² Source: "The Customer Experience Ecosystem Redefined," Forrester Research, Inc., July 30, 2015.

³ Source: "The Power Of Disciplined Simplification," Forrester Research, Inc., November 10, 2014.

⁴ Source: "The Customer Experience Ecosystem Redefined," Forrester Research, Inc., July 30, 2015.