

# GIGAOM

## Strengthening the Link Between Connectivity and Customer Experience: A Gigaom Research Byte



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By Jon Collins

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# 1 Summary

Business today is all about the customer. As enterprises look to avoid a race to the bottom, both corporate and consumer-facing organizations are increasingly looking to differentiate based on customer-oriented criteria, rather than simply focusing on cost and internal efficiency.

A key question for infrastructure technology decision makers is, what difference does the underlying platform make when it comes to delivering on customer experience goals? More specifically, what positive impact can connectivity have on customer experience?

92% of respondents to this report say there is a strong link. This is based on research from Gigaom, produced in partnership with Colt Technology Services and based on interviews with strategic IT decision makers in enterprise organizations across North America and Europe.

Aimed at enterprise decision makers and providers alike, the study found that:

- Connectivity technologies are viewed as significant enablers to achieving customer experience goals. While many organizations feel they are already utilizing technology to drive value for customers, a similar group feel they still are progressing towards this goal.
- More progressive organizations see direct customer involvement as the number one strategy to drive better customer experience. Organizations need to go beyond lip service to customer criteria and engagement.
- Initial service delivery factors are the most significant when it comes to measuring customer experience, above other criteria such as responsiveness over time.
- This puts the spotlight on quality of service in terms of connectivity characteristics that help organizations respond best to their customer experience needs, followed by security, compliance and governance.
- The main priorities for connectivity mechanisms are on making service delivery ‘just work’. Automated provisioning is top of the list, together with integration and self-service; less important were ongoing management criteria such as usage reporting or flexible billing.
- Complexity, and its consequences, can be seen as the main causes preventing better customer experience delivery – these factors manifest in terms of the need for more skills and a lack of impetus from the leadership.
- Internal improvements are therefore top of the list for organizations looking to improve the link between connectivity and CX: improve skill sets, deploy better processes and train staff in CX culture.

- Recommended actions include engaging customers directly in strategy setting, to focus relentlessly on initial service delivery, and over time, to shape connectivity to meet the business need.

In conclusion, given that no specific connectivity feature can magically deliver improved customer relationships, the priority is to get customer-facing business models and operational processes right. As connectivity and other infrastructure capabilities get smarter over time, the need for skills and roles that link business goals and customer value with planning, defining and assuring connectivity will only increase.

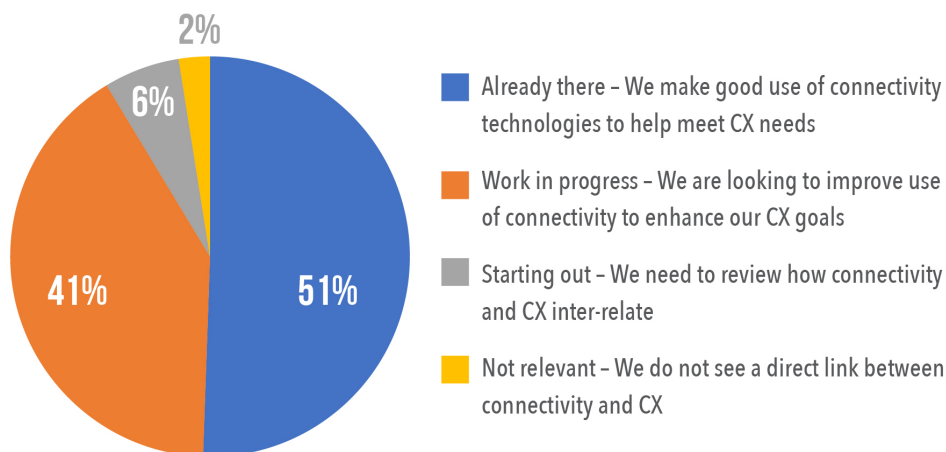


## 2 Good Connectivity Drives Better Customer Experiences

92% of survey respondents believe there is a link between connectivity and customer experience. While 51% of the sample are already making good use of connectivity technologies to help meet CX needs, a further 41% see the relationship as a work in progress. 6% feel they are starting out, and only 2% see the link as irrelevant.

### THE LINK BETWEEN CONNECTIVITY AND CUSTOMER EXPERIENCE (CX)

How responders view the relationship between connectivity and CX.



**92%**

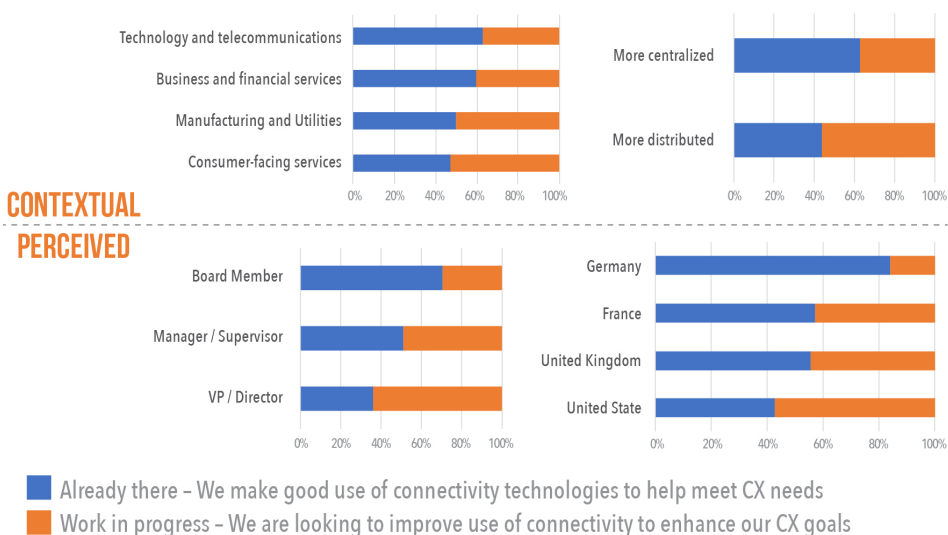
of respondents see a link between connectivity and CX.

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This relationship depends on both contextual and perceived factors. Contextual factors include the sector and nature of the organization: if we compare the 'already there' against the 'work in progress' group for example, technology and financial sectors have made more progress than manufacturing and consumer-facing sectors (63% and 59% versus 50% and 47%), while more distributed corporations feel they have more work to do than centralized organizations (63% versus 44%).

In terms of perceptions, board-level respondents were more likely to say their organizations were already delivering on the link than their reports (70%, compared to 51% for manager or 36% for VP level), suggesting a potential disconnect between the two groups. Respondents from Germany were significantly more likely to believe they were 'already there' than other geographies, but were also more likely to work for more centralized organizations.

## CONNECTIVITY AND CX DEPENDENCY ON CONTEXTUAL AND PERCEIVED FACTORS



Organizations in tech and financial sectors are more advanced in linking connectivity and CX.

Board-level executives are more likely to say their organizations are delivering on the link between connectivity and CX.

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Taking these variations into account, the split between 'already there' and 'work in progress' respondents gives us a useful tool to see how priorities can change along the journey.

### 3 Leaders Characterize Customer Experience in Terms of Direct Involvement

No single factor characterizes an organization's approach to customer experience. 88% of respondents feel they have strongly proactive customer-centric cultures, and 83% incorporate 'the voice of the customer' into their success measures. While organizations may champion customer goals, practical measures are lagging behind: only 32% feel they have a single customer point of contact, and a lack of strong agreement on management frameworks and IT-business collaboration suggests work remains to be done.

#### CHARACTERIZING CX IN THE ORGANIZATION



No single factor characterizes an organization's approach to CX.

88% of respondents have a proactive customer-centric culture.

83% of respondents incorporate 'the voice of the customer' into success measures.

Practical measures, such as single-customer point of contact and management frameworks, lag behind

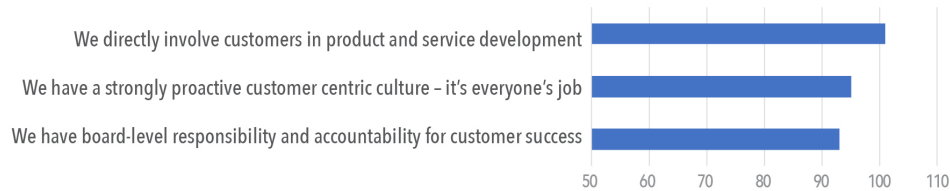
*How would you characterize customer experience in your organization?*

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We can review these responses against organizations who feel they are 'already there'. For the more advanced group, direct customer involvement becomes the number one factor, above more general cultural criteria. Furthermore, organizations looking to grow their business also see direct customer involvement as a defining factor.

Organizations need to go beyond lip service to customer experience and towards direct customer engagement. Customer centricity without involving customers is missing both an opportunity and the point.

## CHARACTERIZING THE RELATIONSHIP BETWEEN CONNECTIVITY AND CX

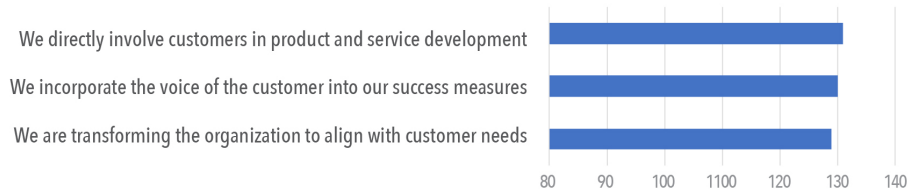


### 'ALREADY THERE'

*"How would you characterize customer experience in your organization?"*  
*"How do you see the relationship between connectivity and customer experience?"*

### 'GROW THE BUSINESS'

*"How would you characterize customer experience in your organization?"*  
*"What business drivers are influencing your technology strategy?"*

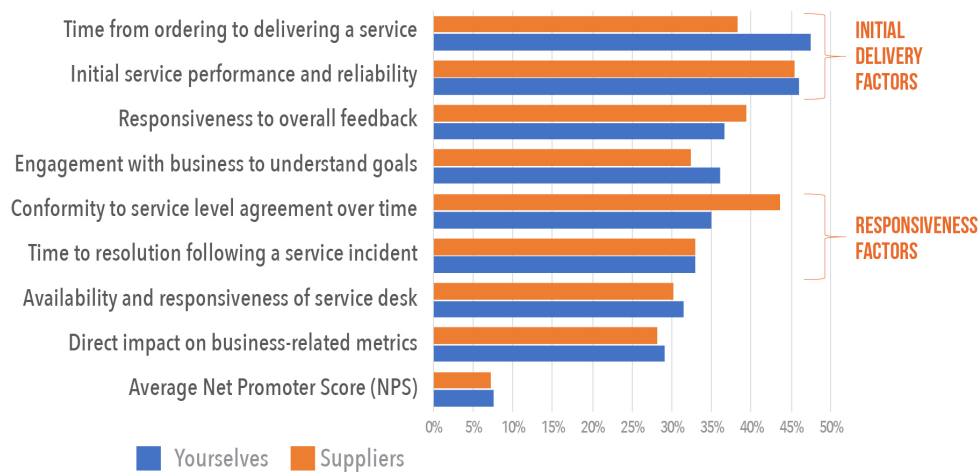


Direct customer involvement is a defining factor for more progressive organizations and those growing their businesses.

## 4 Initial Service Delivery Matters Most for Good CX

Turning to the relationship between customer experience and the specifics of service delivery, criteria around initial service delivery, performance and reliability ranked much higher than responsiveness over time. Time from ordering to delivering a service was the most important factor followed by initial service performance and reliability when assessing suppliers (47% and 46% respectively), and the two factors also ranked high when measuring the organization's own service delivery (38% and 46%).

### MEASURING SERVICE SUPPLIERS FROM A CX PERSPECTIVE



Criteria around initial service delivery, performance and reliability **rank higher** than responsiveness.

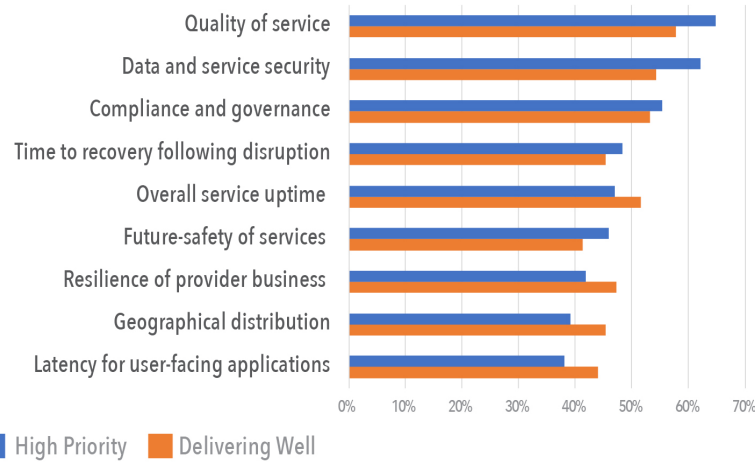
*How do you measure your service suppliers, from a customer experience perspective?*

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Further down the list from a supplier perspective are 'responsiveness factors', such as conformity to service levels over time and time to resolution following a service incident (35% and 33%). Simply put, such factors can never redeem a service that is poorly performing at the outset. Interestingly, Average Net Promoter Score ranked very low across the board (7%): while most organizations report this factor, it appears to be secondary to the service characteristics that drive it.

Quality of service ranks highest from a customer experience perspective (at 65%); this is followed by security (62%), compliance and governance (55%). Interestingly, only roughly two thirds of respondents who saw a characteristic as a high priority also felt it was delivering well: clearly, more work needs to be done to deliver on customer needs.

KEY CONNECTIVITY CHARACTERISTICS FROM A CX PERSPECTIVE



Which connectivity characteristics do you see as highest priority from a customer experience perspective?

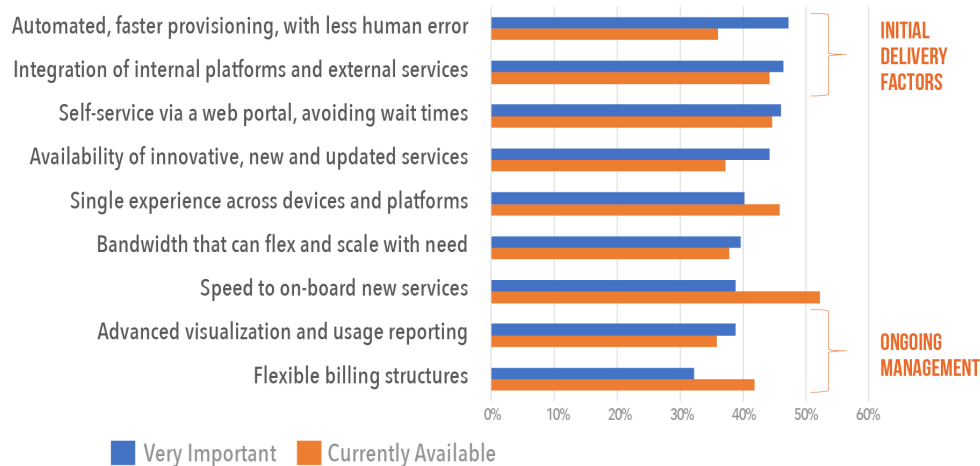
Enterprises want connectivity services that just work: QoS ranks highest from a CX perspective, followed by security, compliance and governance.

## 5 Connectivity Mechanisms Should Focus on Making Delivery ‘Just Work’

Organizations are setting tactical connectivity responses largely in response to criteria around initial service delivery – but existing provision is not delivering across the board – none of the mechanisms are available to a majority of respondents, even if seen as important.

Automated provisioning is top of the list (47%), together with integration and self-service (both 46%): the responses link to requirements we have already seen, about services that ‘just work’ from the outset. Far less important were ongoing management criteria such as usage reporting or flexible billing. However,

### CONNECTIVITY MECHANISMS FOR IMPROVED CX

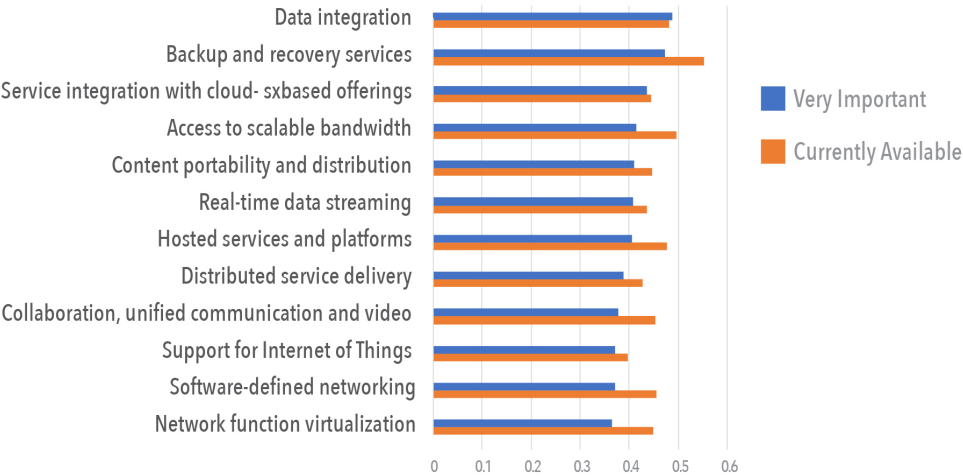


*Which connectivity mechanisms help you respond best to your customer experience needs?*

**Enterprises want services that ‘just work’:** automated provisioning is top of the list of mechanisms, followed by integration and self-service.

In terms of specific features with an influence on customer experience delivery, data integration and backup are seen as the most influential (49% and 47%), with orchestration capabilities such as software defined networking and network function virtualization at the bottom of the list. This offers further reinforcement that more advanced features are not seen as important as getting the basics right.

## MOST INFLUENTIAL CONNECTIVITY TECHNOLOGIES ON CX



*Turning to connectivity technologies, which have the most influence on your own customer experience delivery?*

Advanced features are not as influential on CX delivery as getting the basics right.

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Data integration and backup are seen as the most influential, with orchestration capabilities at the bottom of the list.

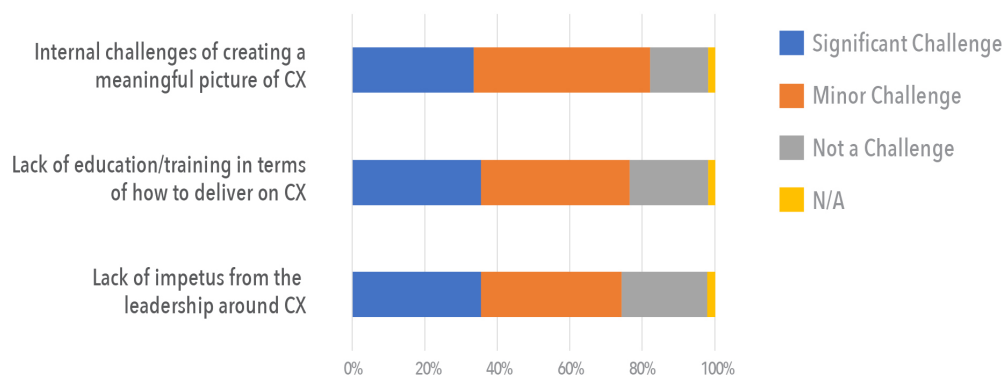


## 6 Complexity is Preventing Better Customer Experience Delivery

Thus far, we have learned how respondents see a clear link between connectivity and customer experience, but at the same time, do not draw out any individual factor. While this could mean everything matters, more likely is that decision makers find it hard to pin down what would make the most difference. Reflecting this difficulty, respondents see the most significant blocker to improvement as creating a meaningful picture of the relationship (according to 82% of respondents), followed by a lack of education/training (76%) and indeed, leadership (74%).

To understand this better, we can compare ‘already there’ with ‘work in progress’ respondents: the more advanced group see challenges as more significant. Essentially, the more you know, the harder it becomes.

### KEY BUSINESS CHALLENGES TO DELIVERING ON CX GOALS



These factors manifest in terms of a lack of a clear picture, driving a need for training and a lack of impetus from the leadership.

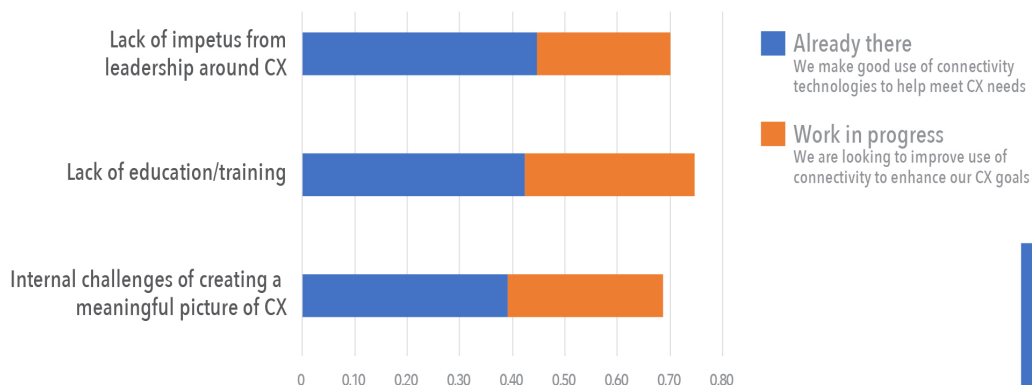
*What do you see as challenges to delivering on your customer experience goals?*

Complexity, and its consequences, are preventing better CX delivery.

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We should be unsurprised, therefore, to find complexity of existing environments as having the greatest impact on organizations looking to use connectivity to improve CX, with 37% of respondents reporting that it has a major impact: when faced with layer upon layer of legacy technologies, enterprises will doubtless struggle to deliver connectivity that ‘just works’ as stipulated in the previous section. Meanwhile 36% and 34% also report bottlenecks and lock-in to existing providers as major connectivity challenges.

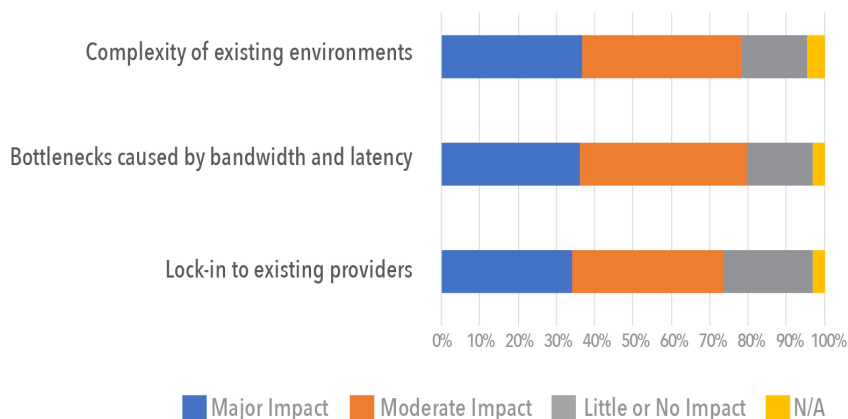
## SIGNIFICANT CX CHALLENGES BY PROGRESS STAGE



*What do you see as challenges to delivering on your customer experience goals?  
How do you see the relationship between connectivity and customer experience?*

Organizations 'already there' in terms of linking connectivity and CX see a lack of executive impetus as the top challenge.

## CONNECTIVITY CHALLENGES FOR IMPROVED CX



*What connectivity-related challenges are having a negative impact on your customer experience delivery?*

**37%**

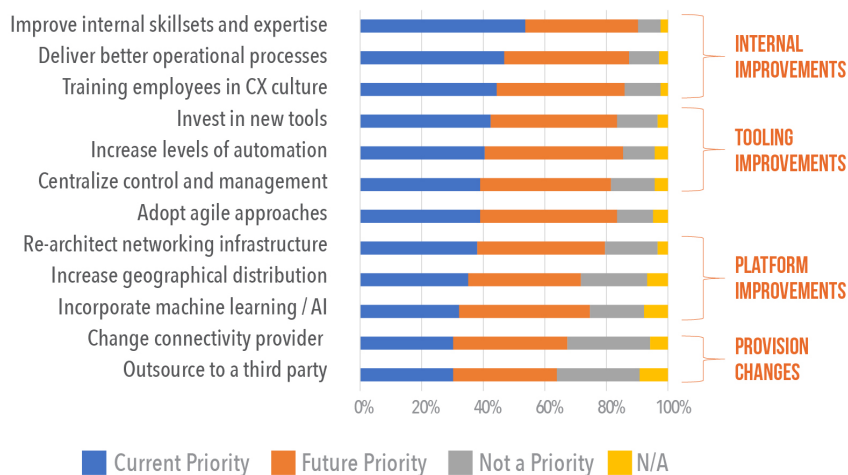
of respondents report that complexity has a major impact.

Enterprises struggle to deliver connectivity that 'just works,' which gets in the way of good CX.

## 7 Strategic Priorities for Improvement: Skills and Processes, Then Tools

Internal improvements are top of the list for organizations looking to improve the link between connectivity and CX. The first priority is to improve skill sets and processes (52%), followed by delivering better operational processes (46%) and training employees in CX culture (44%). These priorities come before any considerations around improvements to tooling, automation, control and management, which suggests that organizations want to know what they are trying to achieve, before they look to automate it. Even further down the list are responses around the platform, or changes to provision.

### PRIORITIES FOR IMPROVING CONNECTIVITY AND CX



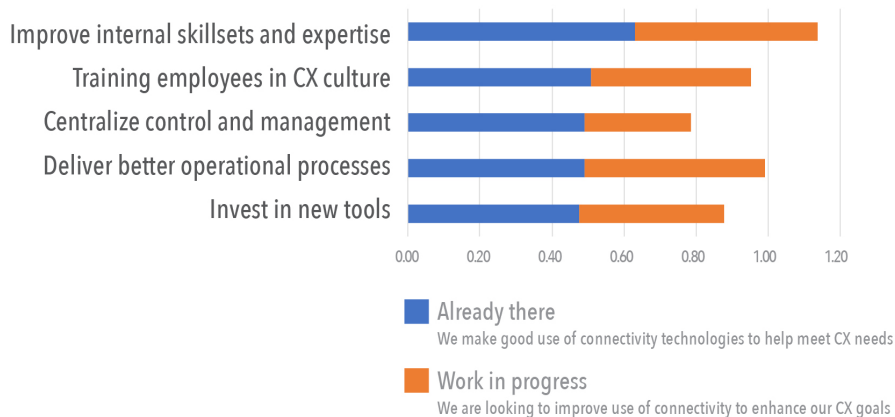
*What are your current and future priorities to improve the link between connectivity and CX?*

Internal improvements top the list for enterprises looking to drive a link between connectivity and CX. First priority, improve skill sets and processes (52%); second priority, deliver better operational processes (46%); and third priority, train employees in CX culture (44%).

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This stems from a recognition that organizations need first to get their own houses in order: for organizations that are 'already there', we see that more advanced companies have different priorities to those who are looking to improve their use of connectivity to meet their CX targets. Not least, leaders are able to move their focus from skillsets, training and processes, to centralizing control and management and investing in new tools.

## CURRENT CX PRIORITIES BY PROGRESS STAGE



*What are your current and future priorities to improve the link between connectivity and CX?  
How do you see the relationship between connectivity and customer experience?*

Skills are the top priority for organizations driving their **CX goals** through better connectivity.

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Changing provider or outsourcing remain much further down the list: in other words, with complexity (and lack of ability to understand it) as a driving factor, organizations are first focusing on improving themselves, before they look to make any major changes to underlying infrastructure.

## 8 Success Means Setting Clear, Customer-centric Goals

Despite a clear link between connectivity and customer experience, organizations are struggling to deliver on its potential. In broad terms this can be put down to complexity from existing and new environments, alongside the rapidly changing nature of customer behaviors in both business-to-business and business-to-consumer markets.

This is not a situation where ‘more bandwidth’ or any other feature can magically deliver improved customer relationships. As more forward-looking respondents recognize, the priority is to get customer-facing business models right, for example through direct customer engagement and delivering the right operational processes based on an organization that ‘gets’ CX culture.

We recommend the following actions:

- **Engage customers directly in strategy setting.** There is no time like the present to involve customers in shaping the nature of business. While the customer may not always be right, co-creation involving this external stakeholder group enables the organization to break away from internally focused thinking. To be effective, any such engagement needs to make a real difference to the objectives, priorities and actions required to deliver on its goals.
- **Focus relentlessly on initial service delivery.** Of course, all customers have a right to expect consistency of service delivery over time; however they will be making a judgment based on how quickly a service can be brought on board. This means prioritizing connectivity features such as self-service and automation.
- **Shape connectivity to meet the business need.** As you get your house in order and understand better the business models and operational processes you need to deliver customer value, you can move into a position of strength with connectivity goals. While it would be a significant step, leading-edge organizations are not ruling out changing connectivity provider.

The complexity challenge is not going away. Models and trends such as multi-cloud, the Internet of Things and machine learning will drive use of new technologies, working practices and indeed customer expectations. Nonetheless, we also see an increasing push towards smarter platforms and service delivery mechanisms, as providers incorporate artificial intelligence into fault identification and resolution.

This picture can help enterprise decision makers understand the skills they need in the future, particularly around harnessing connectivity to deliver on customer experience needs. Where today’s world is all about engineers who can manipulate complex infrastructure, the future will

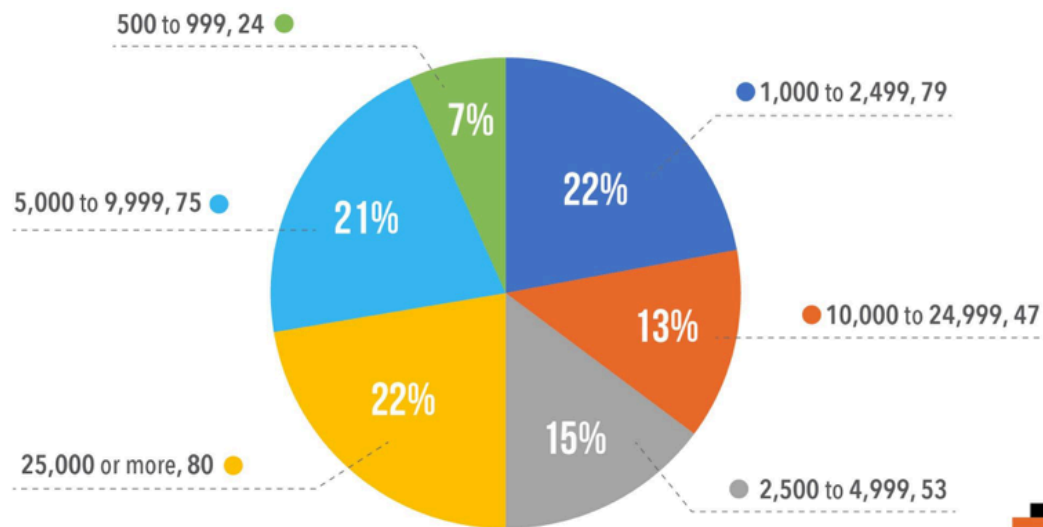
require people who can link strategy to measurable goals and drive emerging, more algorithmic mechanisms. As platforms become smarter, skills and roles will move away from configuring and monitoring, towards the ability to plan, set thresholds and understand the trade-offs of decisions.

As we move towards this world of smarter infrastructure and connectivity, organizations need to think first and foremost about how to deliver on business goals quickly and cost-effectively, all the while putting the customer first.

## 9 About the Research

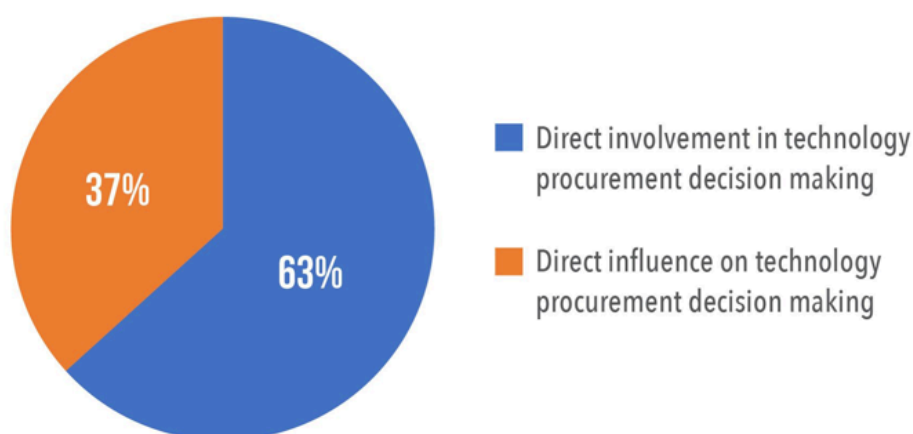
The study involved 358 interviews with strategic IT decision makers in enterprise organizations across North America and Europe. The research took place over September-October 2018.

### RESPONDENTS' EMPLOYMENT NUMBERS BY ORGANIZATION



### RESPONDENT REPORTED INVOLVEMENT IN TECH PROCUREMENT

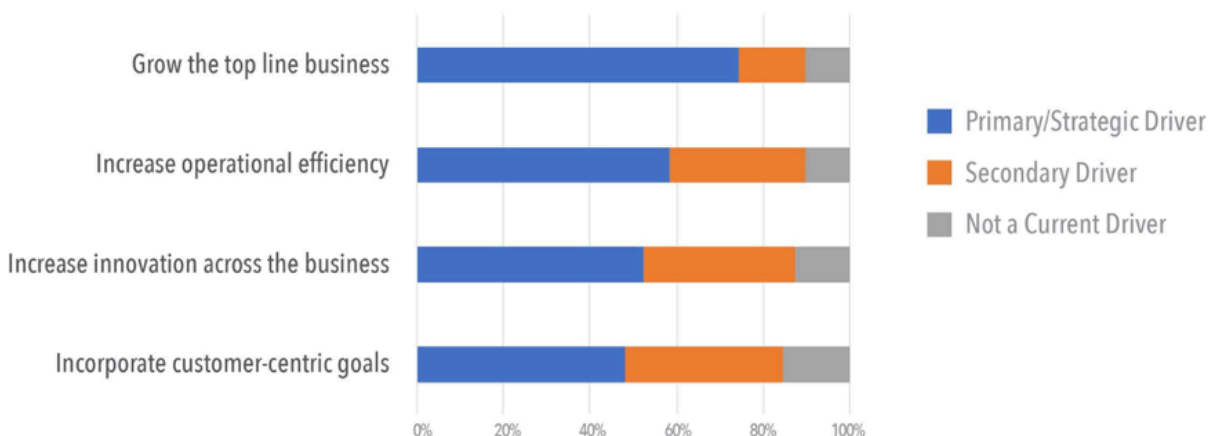
How involved are you in technology procurement decisions for your organization?



Among other questions, we asked respondents what business drivers and technology initiatives were highest priority. Significantly, customer-centric goals appear high in both, while connectivity comes in third for technology strategies. While used these findings to view other

responses, they are interesting in their own right:

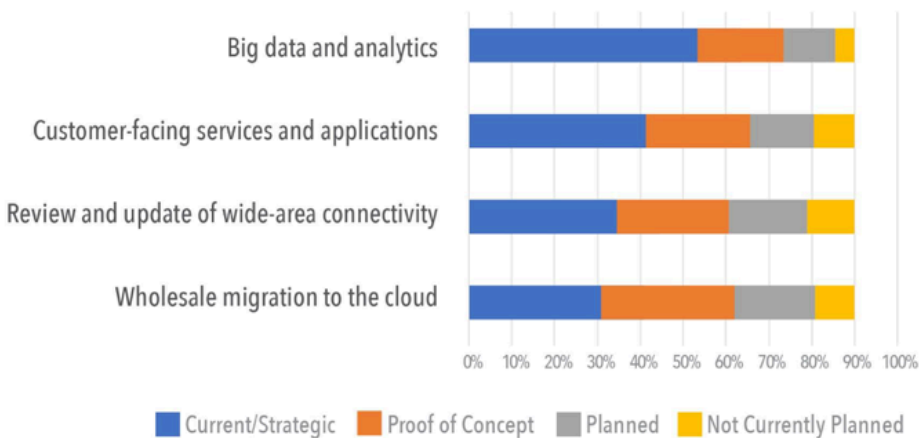
## **CX BUSINESS DRIVERS**



*What business drivers are influencing your technology strategy?*



## **TECH STRATEGIES AND INITIATIVES UNDERWAY REPORTED BY RESPONDERS**



*What technology strategies and initiatives are underway at your organization?*





## 10 About GigaOm

GigaOm provides technical, operational, and business advice for IT's strategic digital enterprise and business initiatives. Enterprise business leaders, CIOs, and technology organizations partner with GigaOm for practical, actionable, strategic, and visionary advice for modernizing and transforming their business. GigaOm's advice empowers enterprises to successfully compete in an increasingly complicated business atmosphere that requires a solid understanding of constantly changing customer demands.

GigaOm works directly with enterprises both inside and outside of the IT organization to apply proven research and methodologies designed to avoid pitfalls and roadblocks while balancing risk and innovation. Research methodologies include but are not limited to adoption and benchmarking surveys, use cases, interviews, ROI/TCO, market landscapes, strategic trends, and technical benchmarks. Our analysts possess 20+ years of experience advising a spectrum of clients from early adopters to mainstream enterprises.

To learn more about how we help transform enterprises in AI-enriched data-driven world, visit <https://gigaom.com/about/>.

## 11 About Colt Technology Services

Colt aims to be the leader in enabling customers' digital transformation through agile and on-demand, high bandwidth solutions. The Colt IQ Network connects 850+ data centers across Europe, Asia and North America's largest business hubs, with over 27,500 on net buildings and growing.

Colt has built its reputation on putting customers first. Customers include data intensive organizations spanning over 213 cities in more than 30 countries. Colt is a recognized innovator and pioneer in Software Defined Networks (SDN) and Network Function Virtualization (NFV). Privately owned, Colt is one of the most financially sound companies in its industry and able to provide the best customer experience at a competitive price. For more information, please visit [www.colt.net](http://www.colt.net)

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