

IDC: Retail Drives European CX Market

Written by Frederick Douglas
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According to IDC, European spending on customer experience (CX) totals \$97 billion in 2018 before reaching \$128bn by 2022 with a "healthy" 7% 5-year CAGR, with banking, retail and discrete manufacturing driving spending throughout the forecast period.

The top 3 verticals are set to absorb 33% of European CX spend in 2019, and retail is to have the fastest growing spend on CX throughout 2022, outgrowing banking by 2021.



The current use cases with the highest spending in CX are customer care and support, digital marketing and order fulfillment. Investment in CX represents an opportunity for industries to differentiate, implementing use cases to mold a public brand perception around the customer, improving websites, social media interactions and product and service promotions.

Looking into the long-term, omni-channel content will be the fastest growing CX use case by 2022, with European companies focusing on the space to build organisational experience delivery competency, leveraging investments in content and experience design, to lower the cost of supporting new channels and ensure brand consistency. IDC also says omni-channel

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content reflects the core foundation of the future of CX through the optimisation of content across channels at every point in the customer journey, creating a non-linear experience around the user.

Emerging technologies (such as AI, IoT and AR/VR) and hyper-micro personalisation are further driving investments in SX, together with rising customer expectations, intensified competition, ever-changing customer behaviours and stronger demand for personalisation. The innovations in CX are about centering the experience of a product or service around the user, approaching each customer as an individual in real time and moving away from segment-based approaches to customer engagement.

"Customer Experience is the top business priority for European companies in 2019," the analyst adds. "Businesses are moving from traditional ways of reaching out to customers and are embracing more digitized and personalized approaches to delivering empathy where the focus is on constantly learning from customers. As a customer-facing industry, retail spend on CX is moving fast as retailers have fully understood how important it is to embed CX in their business strategy."

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