

Quick Answer: How Product Managers in Leading TSPs Overcome the No. 1 Challenge of Building Compelling CX

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Product managers report CX as a top critical challenge in developing quality products and services. To succeed, a Gartner survey shows that TSPs classified as leaders are predominantly customer-driven in discovering and understanding customer needs to deliver compelling customer experience.

Quick Answer

How do product managers in leading TSP organizations overcome the No. 1 critical challenge of building compelling CX?

More than half (58%) of leading technology and service provider (TSP) organizations are overwhelmingly customer-driven versus being technology-driven (20%). The product managers in these organizations build compelling customer experience (CX) by:

- Focusing on discovering and validating customer needs and problems for product-related decisions
- Leveraging CX analytics tools to enable an outside-in approach for the product team to analyze and improve the CX

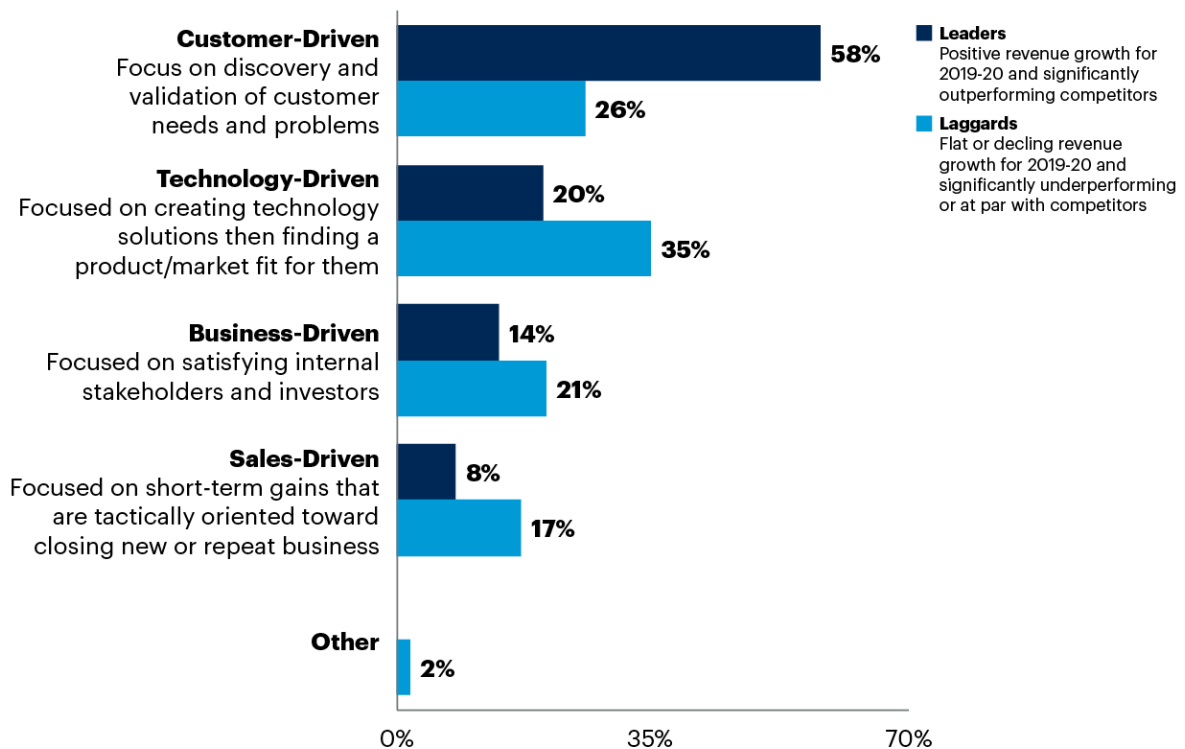
More Detail

Leader TSP Organizations Overwhelmingly Identify as Being Customer-Driven in Product Decision Making

Compelling CX is vital for building customer loyalty critical to the long-term success of a TSP. How do PMs in leading TSPs make product-related decisions to build compelling CX? From the survey (Figure 1), leader TSP organizations report positive revenue growth and significantly outperforming their competitors. While there are competing approaches to product-related decisions, more than half (58%) of leader TSPs are overwhelmingly customer-driven, outstripping the technology-driven approach by almost threefold.

Figure 1: Approaches in Product-Related Decision Making

Approaches That Best Describe Product-Related Decisions By Leaders and Laggards



n = 100 Leader Respondents; n = 112 Laggard Respondents
 Q. Which of the following approaches best describes how your company makes product-related decisions?
 Source: Gartner 2021 Product Management (3rd Annual)
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Customer-driven behaviors are manifested in how PMs facilitate the timely discovery and validation of existing and emerging customers' needs and problems. PMs can close the critical challenge loop by building up the tools and data that speak to customer success and satisfaction, and by actively mining customer feedback to feed into all product decisions.

Putting Customers in the Center With the CX CORE Model

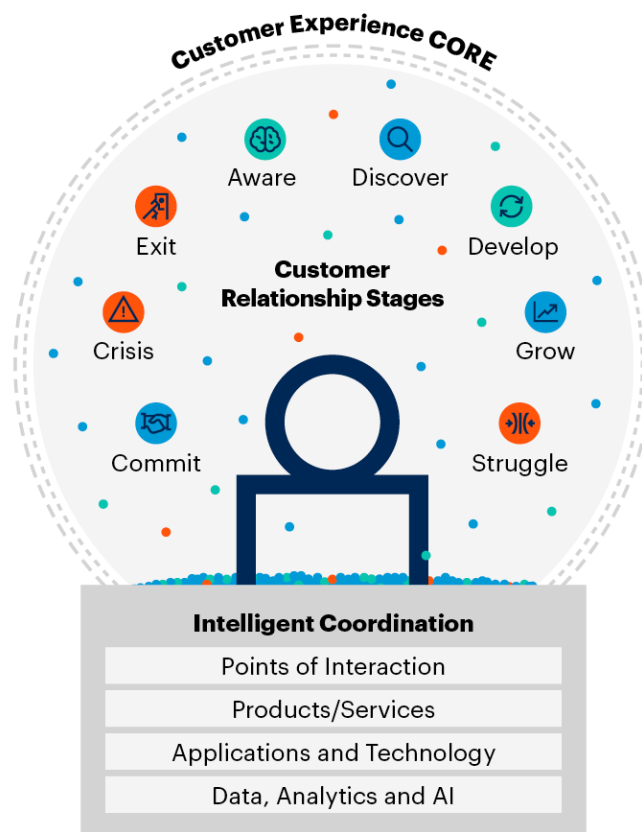
While leading TSPs are overwhelmingly customer-driven in their product decision making, building great CX extends further beyond just the product.

Customer experience (CX) is the customer's perceptions and related feelings caused by the one-off and cumulative effect of interactions with a TSP's employees, systems, channels or products.

Gartner offers product managers a holistic approach for enabling great CX, first explained in [Rethink Customer Experience for a Disrupted World With the CX CORE Model: A Gartner Trend Insight Report](#). The CX CORE model illustrates how TSP product managers act by putting the customer – and not technology – at the center (see Figure 2).

Figure 2: Architecting Experience for Lasting Customer Relationships

Architecting Experience for Lasting Customer Relationships



Source: Gartner
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The CORE model is an organizing principle that shows how functional technologies, people and processes can be intelligently coordinated and designed by product managers to respond dynamically to different stages in a customer's relationship.

The CX CORE model raises adjoining questions for product managers:

- **Skills, Roles and Responsibilities:** What does CX mean to our product? How do I better collaborate with my peers on CX? How do I lead CX in my organization?
- **Tools and Processes:** What's an ideal CX metrics dashboard? How do I measure the CX maturity in my team? How do I create a CX strategy for my product? How best do I understand customer needs?
- **Products/Services:** What are the resources/implications/costs for delivering great CX?

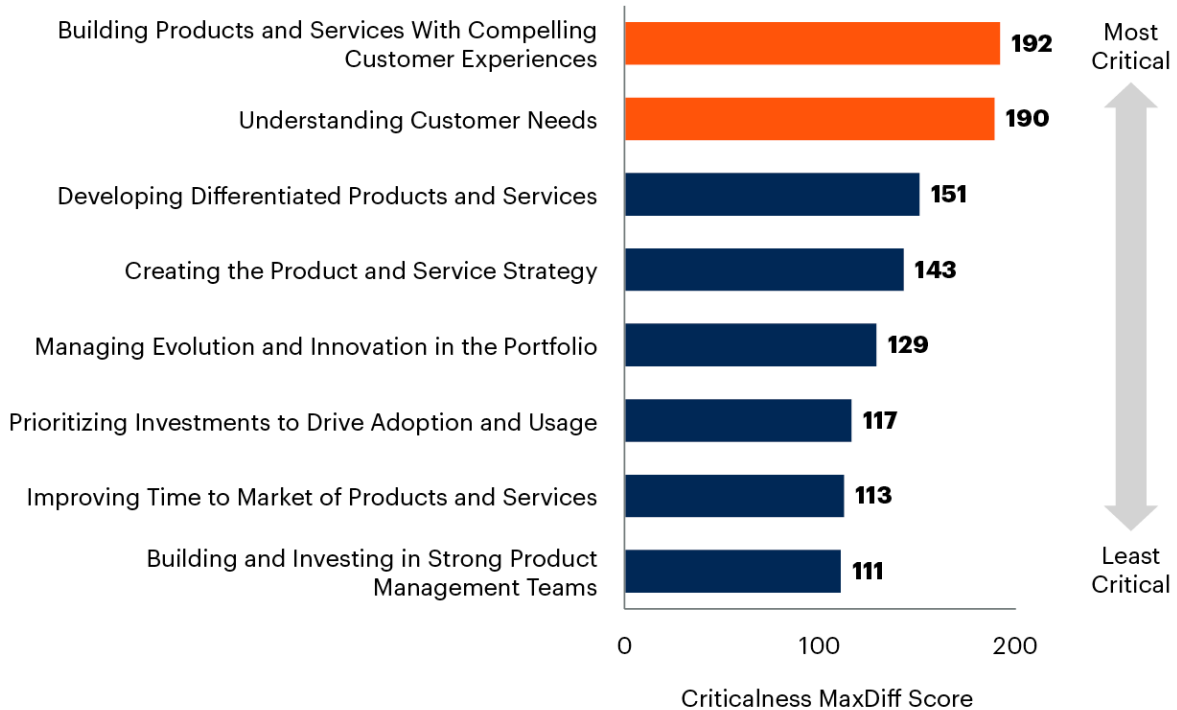
Further research is planned on how PMs can best build compelling CX by addressing the above aspects.

Leveraging CX Analytics to Understand Customers' Needs

While PMs perform and overcome many critical challenges in a product's life cycle, no other challenge is more daunting than that of enabling great CX (see Figure 3). Being customer-driven in product decision making is a great attribute, but even top-performing product teams constantly question how to better understand customer needs. The volume of Gartner client inquiries on "customer experience, CX and CX best practices" continues to grow and grow, increasing by 140% year over year between 2020 and 2021.

Figure 3: Understanding Customer Needs Is a Top Critical Challenge for Product Managers

Critical Challenges That Product Managers Need to Solve
MaxDiff Results



n = 400; all respondents

Q: Of this list, which would you say is the most critical and which is the least critical challenge to solve for the overall performance of your product management team?

Source: 2021 Gartner Product Management, 2021 (3rd Annual) Survey
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First, the challenge of understanding customer needs better is not being eased, even though there are a multitude of CX analytics tools available. From [Implement Customer Experience Analytics to Uncover CX Opportunities for Your Products](#), we know CX analytics tools can segment customers for acquisition, growth and retention, and develop an outside-in approach to more targeted product, sales, marketing and service interactions to improve the CX.

Based on Gartner’s Product Management Score maturity assessment, we see a surprisingly high 86% of all product teams do not manage their CX goals with dashboards and analytics (see the Evidence section below). The reality is that PMs do face challenges in implementing analytics for CX. The top three obstacles preventing PMs from allocating adequate time are insufficient resources to cover all activities, lack of alignment between internal stakeholders, and unplanned day-to-day emergencies.

Without the required customer understanding, PMs are practically flying blind, and it inevitably leads us to the second challenge area to build products and services that enable compelling and great CX. It is perhaps a foregone conclusion, because from the same assessment, we know that one of every three product teams do not validate their problems or solutions with customers.

Being customer-driven in practice does require maturity in the usage of analytics. Product managers should first formulate a set of CX hypotheses to be answered. They should have an inventory of the type and depth of customer data that are currently available to the team. Work closely with the internal data and analytics (D&A) team, marketing and customer service department, and sales teams to determine existing data access and availability.

Assess which CX analytics tools benefit the CX the most by using gap analysis, comparing what is available, in terms of easily accessible data and existing CX tools, with what the product would need.

Recommended by the Authors

[Critical Steps for Tech Product Managers: Build Compelling Customer Experiences](#)

[Implement Customer Experience Analytics to Uncover CX Opportunities for Your Products](#)

[Top Strategic Technology Trends for 2022: Total Experience](#)

[How the CX CORE Model Impacts Technology Marketing](#)

[Break Out of the Customer Management Industrial Complex With Gartner's CX CORE Model](#)

[Infographic: 8 Examples of Customer Experience Lip Service That Need a Reality Check](#)

Evidence

Gartner Product Management, 2021 (Third Annual) Survey. This study was conducted to understand the needs, challenges and key initiatives of people in product management roles. In total, 400 respondents were interviewed in native language across the following regions:

- Australia (n = 10, 3%)

- Canada (n = 15, 4%)
- China (n = 35, 9%)
- France (n = 33, 8%)
- Germany (n = 36, 9%)
- Hong Kong (n = 15, 4%)
- India (n = 51, 13%)
- United Kingdom (n = 70, 18%)
- United States (n = 135, 39%)

Percentages may not add to 100% due to rounding. Interpret small base sizes (n <30) with caution.

To enable the comparing and contrasting of key trends, quotas were established on key organizational and respondent characteristics. Qualifying organizations operate in high-tech industries (cloud services, software, communications equipment, carriers, devices and computer infrastructure, technology and business services, and semiconductors), with anticipated enterprisewide annual revenue for 2020 of more than \$50 million or equivalent. Qualified participants have the title of director level or equivalent, or above.

The survey was developed collaboratively by a team of Gartner analysts who follow these markets, and it was reviewed, tested and administered by Gartner's Research Data and Analytics (RDA) team.

Disclaimer: Results of this study do not represent global findings or the market as a whole, but are a simple average of results for the targeted countries, industries and company size segments covered in this survey.

Figures present the average importance scores for over 123 organization-level assessments, made up of over 300 individuals, completed over the past 18 months using the Product Management Score maturity assessment tool. Measured on a maturity scale ranging from 1 (low) to 5 (high), the tool measures how advanced an activity is relative to our best-practice research.

Product Management Score assesses maturity based on responses to questions indicating actions or behaviors related to each topic, across five objectives and 22 key management activities that comprehensively represent the scope of activities for the typical product management team. The results from August 2019 through February 2021 indicate that the activities with the lowest average maturity scores correlate with high-volume inquiry topics by Gartner clients.

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