Forrester Introduces Brand Experience Index To Measure The Interconnectedness Between Brand And Customer Experience

January 16, 2025

When brand experience and customer experience are improved together, firms can achieve up to 3.5x revenue growth and drive higher customer retention and loyalty

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Jan. 16, 2025-- According to Forrester's (Nasdaq: FORR) Brand And Customer Experience Together Power Growth research report, a strong brand experience (BX) and customer experience (CX) are crucial drivers to long-term revenue growth. Despite this, many companies continue to evaluate these two elements separately, missing the opportunity to unlock compounded revenue growth from improving both in tandem. By aligning these two critical dimensions, companies create a seamless, cohesive experience for customers, which fosters stronger loyalty, higher lifetime value, and increased revenue over time. This integrated approach also helps brands differentiate themselves in competitive markets, strengthen customer relationships, and ultimately attract and retain a broader customer base.

Forrester recommends that brands looking to capture market share and drive revenue growth use two indices in tandem:

- **Forrester's new Brand Experience Index (BX Index)** , which measures prospects' and customers' perceptions of a brand. Unveiled today, this index measures how effectively companies leverage their brand to win and retain customers and is based on three components: salience, fit, and trust.

- **Forrester's Customer Experience Index (CX Index™)** which measures customers' perceptions of an experience and how successfully a company delivers customer experiences that create and sustain loyalty. This index is calculated based on three components of CX quality: ease, effectiveness, and emotion.

The interplay between BX and CX is further captured in a "growth grid," Forrester's snapshot of how successful a company is at both winning and retaining customers and how it stacks up against its peers — each a critical component to driving an organization's growth. In creating growth grids, Forrester analyzed data from more than 313,000 customers and 145,000 prospects in 13 countries and from nearly 400 brands across 11 categories, including financial services, airlines, and retail. Firms can use the growth grid as both a diagnostic and prescriptive tool to shape their brand and business strategy by:

- **Assessing the competitive landscape.** Brands can use the growth grid to understand how they stack up against their peers. For example, in Singapore, DBS Bank leads the competitive banking landscape with the largest market share and branch presence. Standard Chartered and Maybank, however, struggle to win, serve, or retain customers compared with their peers.

- **Evaluating the strength of different lines of business.** Not every line of business is an equal brand ambassador for the company. For example, Wells Fargo's banking and credit card lines are remarkably proximate, but PNC's credit cards are more compelling to prospects than Wells Fargo's. As a result, converting credit card customers into banking customers is an important avenue for PNC to drive sustained growth.

- **Comparing different brands within a portfolio.** Multiband portfolios can occupy very different positions on the growth grid. For example, many of Hilton's portfolio brands are better situated than Marriott's similarly positioned lower-end brands, such as Residence Inn, Fairfield Inn, and Courtyard. Multibrand companies can use the growth grid to identify leaders and laggards within the portfolio and cross-pollinate best practices that transcend individual brands.

"Our research finds that brand experience and customer experience are two sides of the same coin," said Sharyn Leaver, chief research officer at Forrester. "As a result, companies must invest in improving both these elements simultaneously. Forrester's new BX Index and growth grid are designed to help companies recognize the duality between BX and CX. These also enable firms to effectively measure both to fuel actionable growth and create strategy that addresses the real-time needs of both customers and prospects."

Resources:

- Discover more about Forrester's Brand Experience Index and how it sets the stage to measure the interplay of brand experience and customer experience.
- Read Forrester's report, Brand And Customer Experience Together Power Growth, to learn how the duality of BX and CX can help companies drive growth (client access required).

About Forrester

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