



## **Canadian Spending on Customer Experience Technologies to Surpass \$18 Billion by 2022, According to New IDC Spending Guide**

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**TORONTO, Canada, September 9, 2019** – Canadian spending on customer experience (CX) technologies will total \$15.8 billion in 2019, an increase of 5.1% over 2018, according to the [Worldwide Semiannual Customer Experience Spending Guide](#) from International Data Corporation (IDC). As companies continue to develop and implement their digital transformation (DX) strategies, they look to emphasize the importance of exceeding customer expectations and providing a unique and differentiated experience. IDC anticipates CX spending to achieve a compound annual growth rate (CAGR) of 5.1% over the 2018-2022 forecast period, reaching \$18.6 billion in 2022.

IDC identifies customer experience as business processes, strategies, technologies, and services which companies use to provide a better experience for their customers and to differentiate themselves from their competitors. Companies have made it a strategic priority to transform their customer experience in a positive way, putting into practice a handful of programs that can help these companies reach their CX goals. The largest of these programs is advertising and marketing followed closely by sales and renewals. Combined, these two programs make up over 60% of total CX spending.

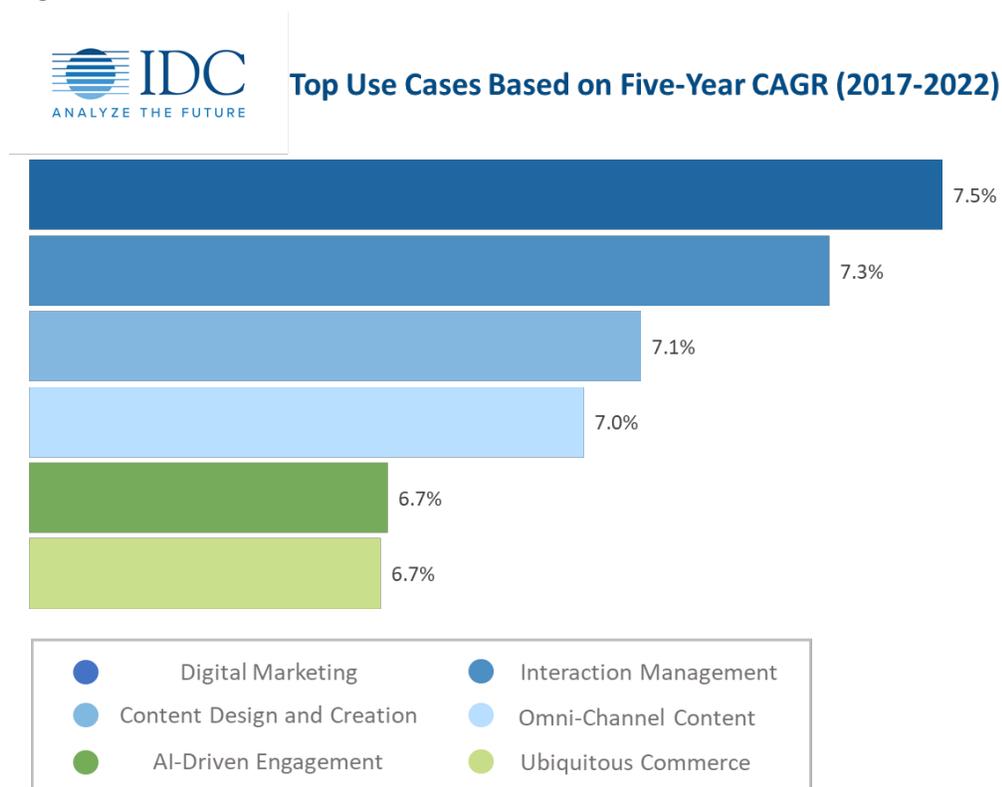
Customer experience is currently led in spending by the banking industry, followed by the professional services, and retail industries. However, by 2022, the retail industry will overtake both the banking and professional services industries and jump up to first position. The retail industry will experience the fastest growth over the forecast period with a five-year CAGR of 12.6% as the customer moves more towards the center stage in this industry.

“The retail industry exhibits the most propensity to use CX technologies over the long-term. Canadian retailers such as Loblaws have been quick to invest in this trend to drive customer adoption and ensure customer satisfaction. Canada’s biggest grocer is currently in the process of evaluating over 400 customer-focused initiatives and prioritizing them based on returns.” said [Yash Ahuja](#), Senior Analyst at IDC Canada.

Canadian organizations currently have a high dependency on service providers to guide them along the CX journey. Toronto-based Rubikloud is one such service provider. Customer

LifeCycle Manager, a Rubikloud product, helps retailers map out their customer’s journeys to offer benefits such as personalized recommendations of products and offers to their customers. Services will be the largest area of CX spending at \$6.8 billion in 2019. However, the services proportion of total CX spend is projected to steadily decrease across the forecast period and end up close to 40% by 2022; as Canadian organizations continue to develop CX teams in-house. Software will be the second largest area of CX spending, accounting for over 25% of the total CX spending, and will be led by customer relationship management (CRM) applications. Hardware, consisting of devices and infrastructure, will make up just under 20% of overall CX spending while telecom services will make up just over 10% of total CX spending.

Figure 1



Source: IDC Worldwide Semiannual Customer Experience Spending Guide 2018H1

From a use case perspective, CX spending will be led by customer care and support (which includes the automation of personalized servicing of customer inquiries) at \$1.1 billion in 2019, followed by order fulfillment (which includes the optimization of inventory management and inventory distribution planning to fulfil customer orders). The CX use cases that will see the fastest growth throughout our forecast are digital marketing (which includes the customization of offers to customers at scale, based on the analysis of past interactions) with a CAGR of 7.5% and interaction management (which includes the provision of a personalized, seamless, and curated experience to the customer across their customer journey by leveraging technology and data) with a CAGR of 7.4%.

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IDC's Spending Guides provide a granular view of key technology markets from a regional, vertical industry, use case, buyer, and technology perspective. The spending guides are delivered via pivot table format or custom query tool, allowing the user to easily extract meaningful information about each market by viewing data trends and relationships.

For more information about IDC's Spending Guides, please contact Cristina Santander at [askidc@idccanada.com](mailto:askidc@idccanada.com).

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