



Spending on Customer Experience Technologies Will Reach \$641 Billion in 2022, According to New IDC Spending Guide

FRAMINGHAM, Mass., August 6, 2019 – Worldwide spending on customer experience (CX) technologies will total \$508 billion in 2019, an increase of 7.9% over 2018, according to the inaugural [Worldwide Semiannual Customer Experience Spending Guide](#) from International Data Corporation (IDC). As companies focus on meeting the expectations of customers and providing a differentiated customer experience, IDC expects CX spending to achieve a compound annual growth rate (CAGR) of 8.2% over the 2018-2022 forecast period, reaching \$641 billion in 2022.

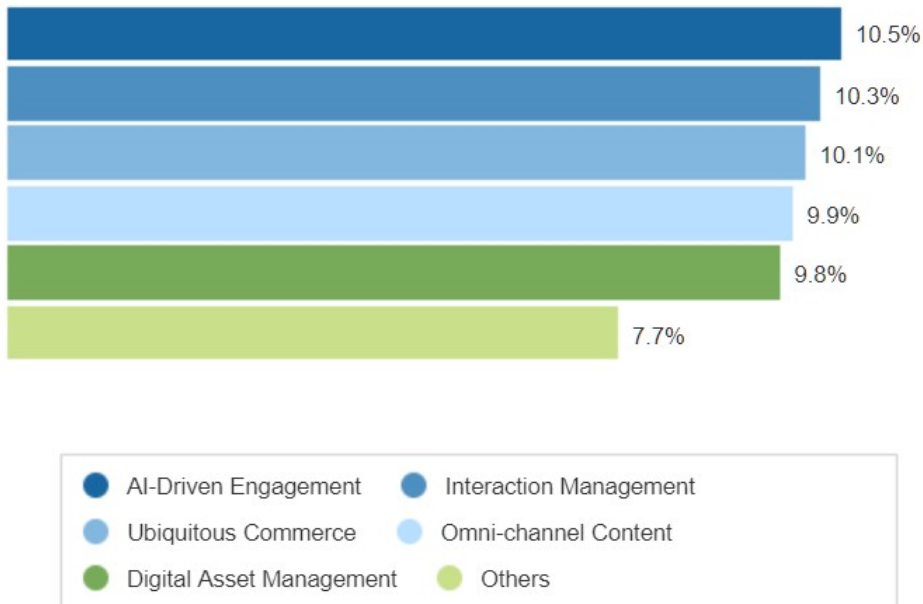
IDC defines customer experience (CX) as a functional activity encompassing business processes, strategies, technologies, and services that companies use, irrespective of industry, to provide a better experience for their customer and to differentiate themselves from their competitors. The term customer refers to individuals (B2C) as well as groups (B2B). IDC focuses only on business process and therefore does not include the customer's experience of the actual design of the product that the company sold to the customer, nor does it include aspects specific to the product or service such as the user interface or the product aesthetics.

"Customer experience has become a key differentiator for businesses worldwide. New innovation accelerator technologies like artificial intelligence and data analytics are at the forefront in driving the differentiation for businesses to succeed in their customer experience strategic initiatives," said [Craig Simpson](#), research manager, [Customer Insights & Analysis](#).

CX spending will be distributed somewhat evenly across the 16 use cases identified by IDC. In fact, the top six use cases will account for less than one third of overall spending this year. The CX use case that will see the most spending in 2019 and throughout the forecast is customer care and support followed by order fulfillment and interaction management. The use cases that will see the fastest spending growth over the five-year forecast period are AI-driven engagement, interaction management, and ubiquitous commerce.

Figure 1

Top Use Case Based on 5 Year CAGR (2017 - 2022) (Value)



Source: IDC Worldwide Semiannual Customer Experience Spending Guide 2018H1

The retail industry will spend the most on CX technologies in 2019 (\$56.7 billion) and throughout the forecast. Digital marketing, AI-driven engagement, and order fulfillment will be the use cases that receive the most funding from retail organizations. Discrete manufacturing and banking will be the second and third largest industries in 2019. Customer care and support will be the primary use case for both industries. Retail and healthcare will be the two industries with the fastest spending growth over the forecast period with CAGRs of 13.1% and 11.5% respectively.

From a technology perspective, services will be the largest area of CX spending at \$220 billion in 2019. Most of this total will be divided between business services and IT services. Software will be the second largest area of CX technology spending led by CRM applications and content applications. Hardware, including infrastructure and devices, will account for nearly 20% of overall CX spending while telecommunications services will be less than 10% of total spending.

The United States will be the largest geographic market for CX spending in 2019 led by the discrete manufacturing and retail industries. Western Europe will be the second largest region with banking and retail as the top industries. The third largest market will be China, led by healthcare and retail CX spending. China will also see the fastest growth in CX spending with a five-year CAGR of 13.6%.

The [Worldwide Semiannual Customer Experience Spending Guide](#) provides a view of IT spending by CX use cases with market sizing and forecast for emerging and traditional technologies. The guide covers 16 use cases segmented by 19 industries, 9 geographies, 4 technology groups (hardware, software, services, and telecom services) and 11 technology categories. Unlike any other research in the industry, the comprehensive spending guide was designed to help IT decision makers to clearly understand the industry-specific scope and direction of CX spending today and over the next five years.

About IDC Spending Guides

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 Monika Kumar at mkumar@idc.com.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly-owned subsidiary of International Data Group (IDG), the world's leading media, data and marketing services company. To learn more about IDC, please visit www.idc.com. Follow IDC on Twitter at [@IDC](#) and [LinkedIn](#).

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