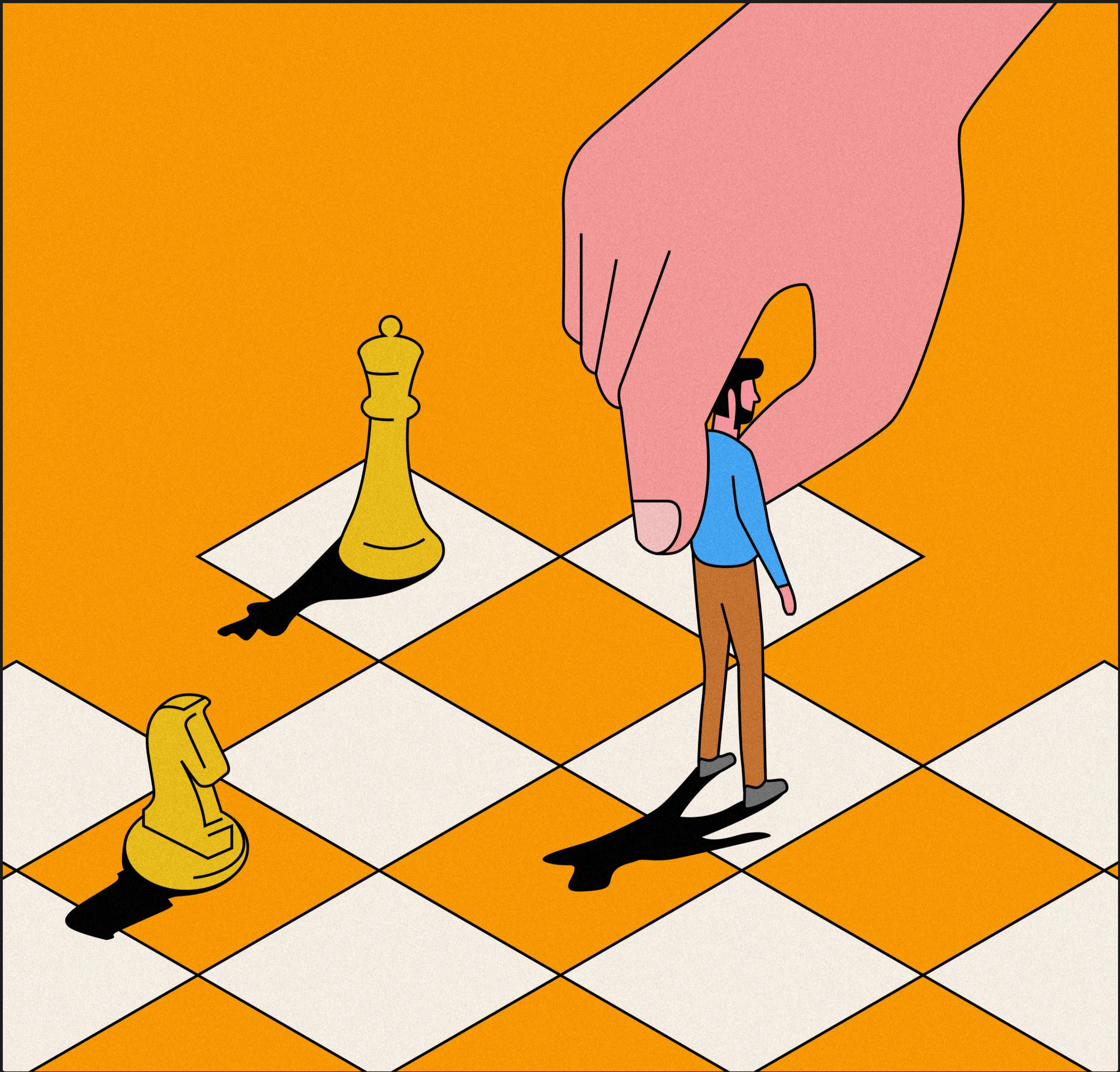


The CX Revolution: It's your move



2025

Untangld

Customer experience has

Customer experience (CX) has shifted from a supplementary function to a critical survival strategy in today's competitive market. According to a study by Qualtrics XM, poor CX can cost businesses up to 6.75% of their revenue.

Despite significant investments in CX, many brands still fail to realise its full potential. They often focus too much on the functional aspects, missing opportunities to leverage CX for innovation and differentiation.

Poor CX can cost businesses up to **6.75%** of their revenue

→ *shifted*

The most effective CX strategy should push beyond addressing a focus solely on fault fixing and encourage brands to think bigger about their experience.

Approaching this task can be broken down into three dimensions:

→ Foundational

First, it's about meeting core customer needs—delivering the basics they expect, like a smooth online checkout or quick issue resolution.

→ Explorative

Secondly, it involves delving deeper to address unmet and emerging needs, foreseeing what customers may desire before they even realise it themselves.

→ Memorable

Lastly, it encompasses the art of extending the brand idea through the myriad of touchpoints, weaving a cohesive narrative that captivates and resonates with consumers to build memorability.

By balancing the functional, explorative, and memorable aspects, brands can shape not just how they are perceived today, but how they remain relevant tomorrow. Helping businesses deliver experiences customers want but also anticipates what they didn't know they needed, ultimately building lasting loyalty.

Meanwhile, **the hidden Easter eggs in Tesla's driving experience** elevate a simple car journey into a moment of discovery, creating a memorable, shareable experience that builds deeper emotional engagement with the brand. Activating Rainbow Road mode transforms the autopilot screen into a vibrant, neon racetrack—a nod to Mario Kart's iconic course—turning an ordinary drive into a playful, nostalgic moment for drivers and passengers alike.



Apple Pay at Sainsbury's solves a foundational need for speed and convenience in the checkout process.



Ikea's embedded insurance product extends their offering by addressing an unmet need.



Mastering the basics is the foundation of CX success

At the heart of any successful CX strategy is a simple truth: customers want reliability and consistency. While it's tempting for brands to chase attention through superficial features, the most impactful CX strategies start by mastering the basics.

In *Simply Better*, Patrick Barwise and Sean Meehan argue that most customers don't seek novelty; they want products and services that deliver on promises—consistently and without hassle. Brands should therefore prioritise excelling at the fundamentals that align with customer needs and their market positioning before focusing on differentiation.

Brands should prioritise **excelling at the fundamentals that align with customer needs** and their market positioning before focusing on differentiation.

Marks & Spencer (M&S). In recent years, M&S has invested heavily in digital transformation and introduced various interactive features on its website. However, these efforts were initially overshadowed by fundamental usability issues that frustrated customers. In 2014, M&S launched a new £150 million website, but it was plagued with problems such as slow loading times, confusing navigation, and issues with the login process. Despite the investment, new features and sleek design, many customers found the site difficult to use, leading to a significant drop in online sales. This demonstrates how even a well-established brand can suffer when basic usability is compromised in favour of new, flashy features).

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Amazon is a prime example of this approach. Their ecommerce dominance wasn't built on emotional branding. Instead, it was built on mastering core elements: ease of ordering, crazy fast delivery, and hassle-free returns. Amazon's relentless focus on delivering these basics over and over again cemented it as the go-to platform for online shopping.

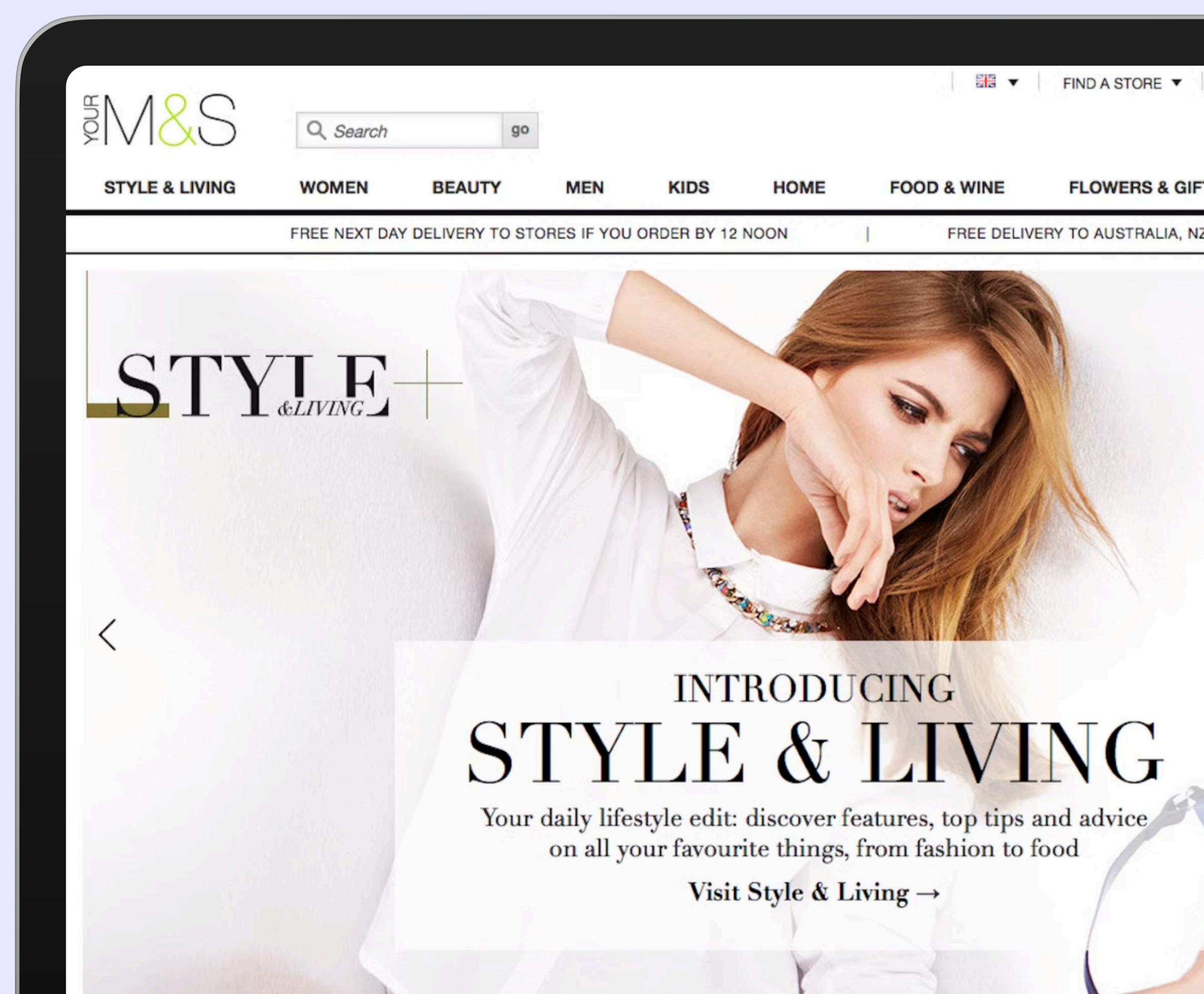
amazon



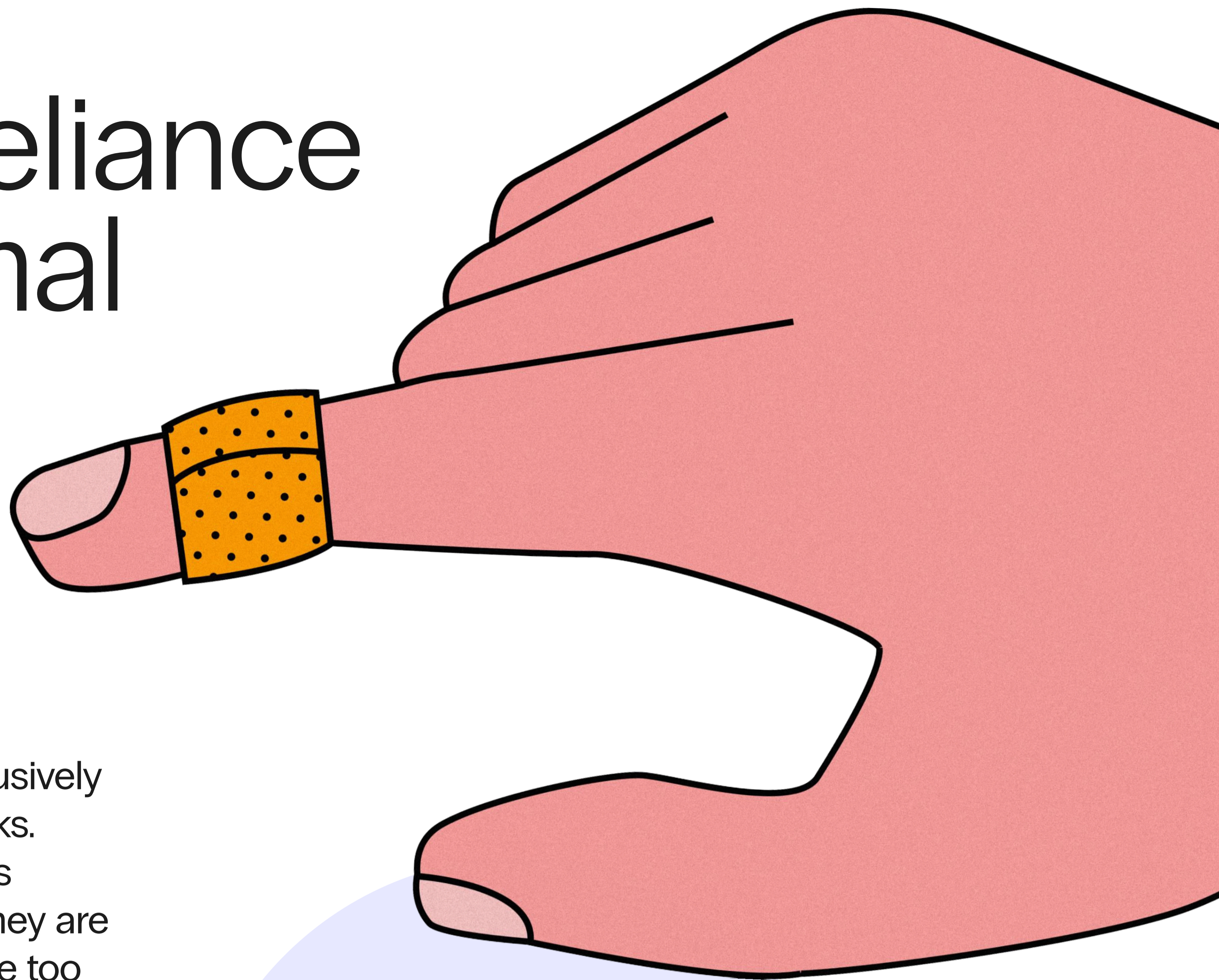
Buy all items with 1-Click

The lesson here is simple: you can't build a strong experience without mastering the foundational elements first. Brands should aim to define the core elements of their offering—a sharp, focused strategy around one or two key things they have to get right. The courage to say “no” to everything else is crucial. By excelling in these core areas and reinforcing them consistently, brands can build trust and loyalty over time.

A good starting point to define these is to focus on the general pillars of service that all customers appreciate—things like fast delivery, simple returns. By consistently excelling in the core areas that customers value most, brands can outperform competitors in areas that drive loyalty.



The over-reliance on functional fixes is a real risk



While important, just focusing exclusively on functional CX carries its own risks. Many CX programs miss out on this foundational advantage because they are too diffuse. They attempt to improve too many aspects at once, scattering their efforts across multiple touchpoints.

This dilutes the overall impact, leaving customers unable to notice the changes. The risk is you become trapped in a cycle of fixing visible pain points and relying on metrics like Net Promoter Score (NPS) or Customer Satisfaction (CSAT) to track progress. However, satisfaction metrics often provide a limited view of success and don't guarantee that customers will remain loyal or that the brand will experience long-term growth.

THE TAKEAWAY IS CLEAR

While satisfaction metrics are useful indicators of immediate customer reactions, they are not reliable predictors of long-term loyalty or growth.

Brands that rely too heavily on these metrics risk stagnation, and missing out on the complete value that CX can offer.

0.4%

Research by Tim Keiningham shows that changes in satisfaction scores explain only 0.4% of changes in market share.

<1%

Matt Dixon's *The Effortless Experience* reveals that customer satisfaction scores have little to no statistical impact on future loyalty.

60-80%

Fred Reichheld, the creator of NPS, found that 60-80% of customers who defected had previously reported being satisfied or very satisfied.

Embrace exploration and have a **personality**

To truly realise the value of effective CX strategy, brands need to embrace the explorative and memorable dimensions of CX. This means moving beyond addressing current needs and creating experiences that not only anticipate but also shape future behaviours and expectations.

In today's rapidly evolving landscape, the most effective customer experience **strategies are no longer just about addressing known needs; they're about uncovering unmet needs.**

Customers want products and services that solve their problems better, faster, or more efficiently than what's currently available, and brands that excel at identifying these opportunities will be the ones driving innovation.

Brands have to move beyond simply reacting to customer feedback. Instead, they need to proactively identify emerging needs and develop products and services that address them before customers even realise the need themselves.

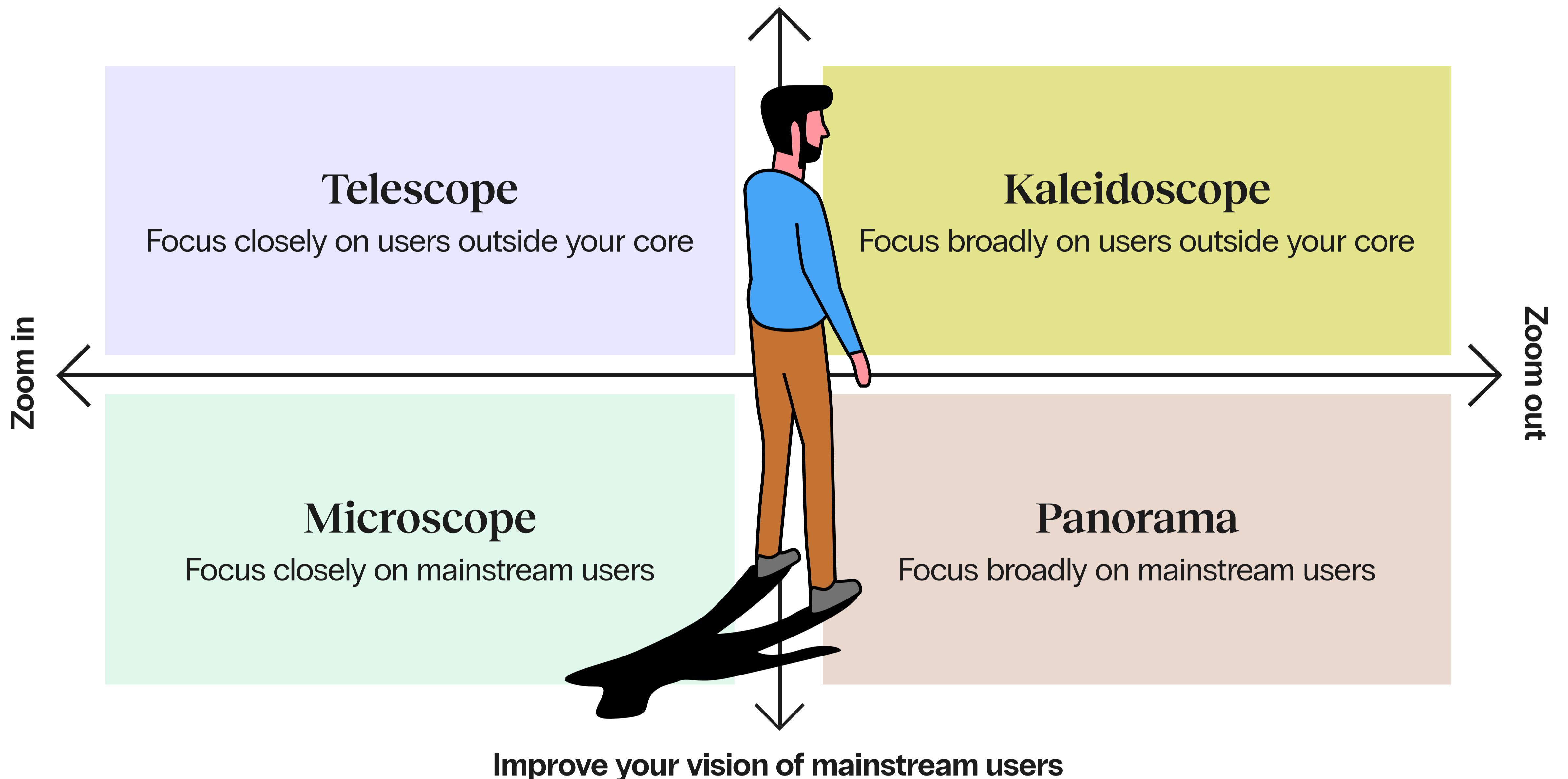


*unmet
needs*

To successfully identify and address unmet needs, brands must adopt a **diversified approach to looking at customers.**

Harvard Business Review presents a good structure for understanding how to go about approaching this task:

Challenge your vision by looking at unconventional users



Telescope Strategy:

Zoom in on users outside your core audience, challenging your vision of how unconventional users might interact with your products. Often, these “fringe users” have needs that could signal shifts in broader market trends.

Microscope Strategy:

Zoom in on individual users and their daily experiences, identifying nuances and subtle pain points that might be overlooked by broader feedback mechanisms.

Kaleidoscope Strategy:

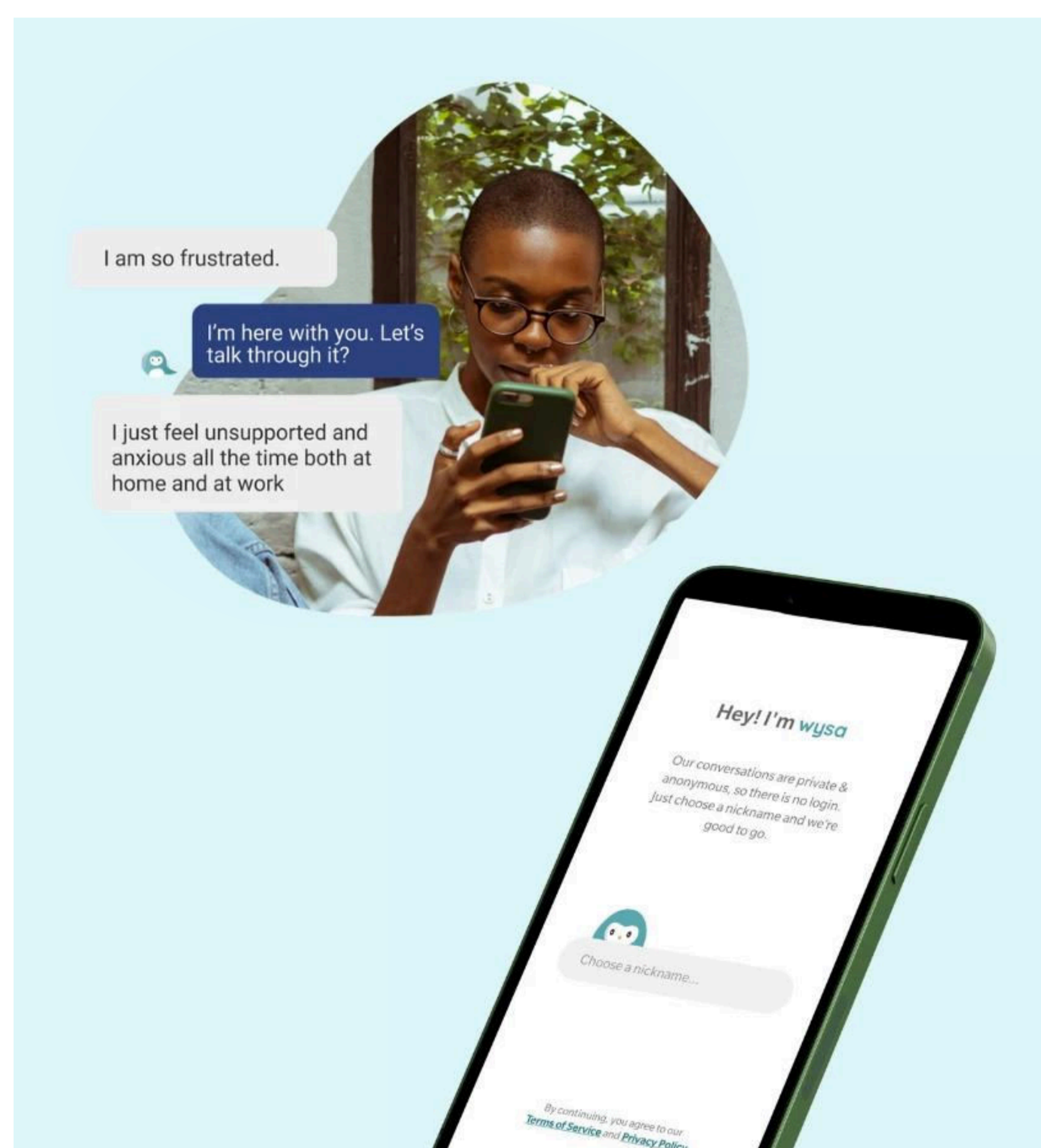
Study niche audiences and their behaviours to see how they interact with your brand or competitors. This broader view can reveal entirely new market opportunities or unaddressed pain points.

Panorama Strategy:

Look at aggregate customer behaviour to identify patterns that signal unmet needs. Large-scale data sets can help uncover systemic issues that might not be apparent at the individual level.

While the traditional framework of customer feedback remains relevant, its execution is evolving. One-way methods like surveys, reviews, and focus groups are no longer enough. Companies must now engage in two-way interactions, leveraging data-driven insights to gain a comprehensive understanding of both core and fringe customer groups. This shift, driven by digital platforms, smart devices, and advanced analytics, enables brands to anticipate needs before customers are even aware of them.

Digital tools—such as smartphones, IoT sensors, wearables, and smart home devices—capture real-time, unobtrusive data, providing a more accurate view of customer behaviour compared to self-reported surveys. Instead of relying on customers' retrospective memories, these technologies offer brands an immediate snapshot of how products and services are used in real time.



Wysa, an AI-powered chatbot, identified that many people suffering from depression were unwilling to visit a therapist. By combining machine learning with empathetic conversation techniques, the app addresses an unmet need for anonymous mental health support. With over 3.5 million users, Wysa provides personalised care without requiring customers to directly engage with a human therapist, lowering the barrier to entry for mental health care.

This approach allows brands to move beyond passive data collection, engaging actively with customers and adapting their offerings dynamically. With a continuous feedback loop, companies can quickly respond to and address emerging needs, staying ahead of the curve.

The ability to explore unmet needs has never been more powerful.

Successful brands aren't just looking at what customers are saying; they are focusing on what customers aren't saying and using technology to fill in those gaps.

Digital tools like social listening, AI-powered semantic analysis, and wearable technology are providing richer, more accurate insights into customer behaviour, enabling brands to create more holistic, customer-centric experiences.

The shift towards two-way engagement is allowing companies to innovate faster and more effectively by staying connected to customers, understanding their evolving needs, and proactively meeting those needs before competitors can.

In this new age of CX, anticipating needs—rather than reacting to them—will be the key to creating experiences that foster deeper loyalty and long-term growth.



Blanding and the limits of a functional fixation in era of web 3.0

There's an additional issue with focusing too narrowly on functional fixes—blanding. As brands race to fix basic customer pain points, they often end up creating generic experiences that lack differentiation. A recent study found that 67% of consumers feel brand experiences are becoming indistinguishable*. This over-focus on functionality without offering something memorable turns brands into interchangeable entities. While ensuring a smooth, functional customer experience is essential, it cannot be the only focus. To create deeper customer loyalty, brands need to design experiences that resonate emotionally, stand out from competitors, and ultimately become memorable.

Web 3.0 represents a transformative new era in the internet's evolution. It empowers users to control their data, engage in peer-to-peer transactions without intermediaries, and interact with a more intelligent and personalised digital environment.

*Ipsos UK : The UK CX Report 2023

67% of consumers feel brand experiences are becoming indistinguishable*

Where Web 2.0 was centred on user-generated content, social media, and centralised platforms, Web 3.0 decentralises control, giving users more autonomy and ownership. This shift impacts how brands need to think about customer experience. Brands no longer hold exclusive control over their messaging or customer interactions. Instead, platforms and users are increasingly defining the experience.

Without a defined strategy for navigating these evolving platforms, brands risk losing control over their narrative. If brands don't take ownership of their experience in Web 3.0, the users and platforms will define it for them. The explosion of new touchpoints, channels, and formats in Web 3.0—ranging from virtual worlds to token-based economies—means brands must adapt quickly and thoughtfully to stay relevant.

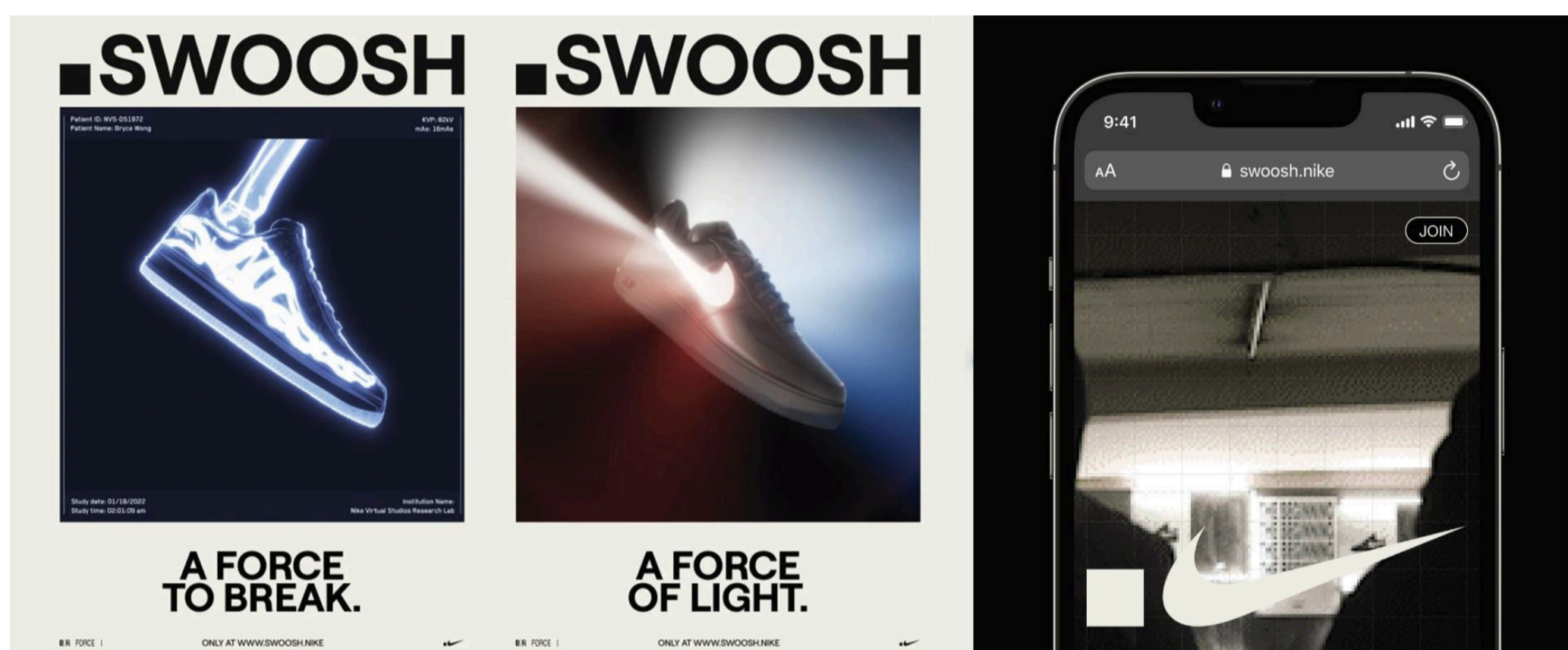
Four core tenets to navigate the new digital landscape

In today's digital world, there's one certainty: branding now extends far beyond logos or traditional advertising. It encompasses the entire ecosystem of a company's interactions with its customers. A strong brand presence must create a consistent, compelling identity across every touchpoint, helping businesses stand out,

build loyalty, and communicate value in an increasingly complex market. To thrive in the Web 3.0 era, brands need to go beyond transactions and create memorable experiences that set them apart. Here are the key elements shaping customer experiences in this new paradigm:

→ **Decentralisation:** Web 3.0 shifts control to users through decentralised networks. Brands can no longer dictate the customer journey but must adapt to a more dynamic, user-led environment.

→ **Fandom:** Web 3.0 fosters authentic community-building by merging virtual and physical worlds. Customers now expect engagement through shared interests and values, not just transactions.



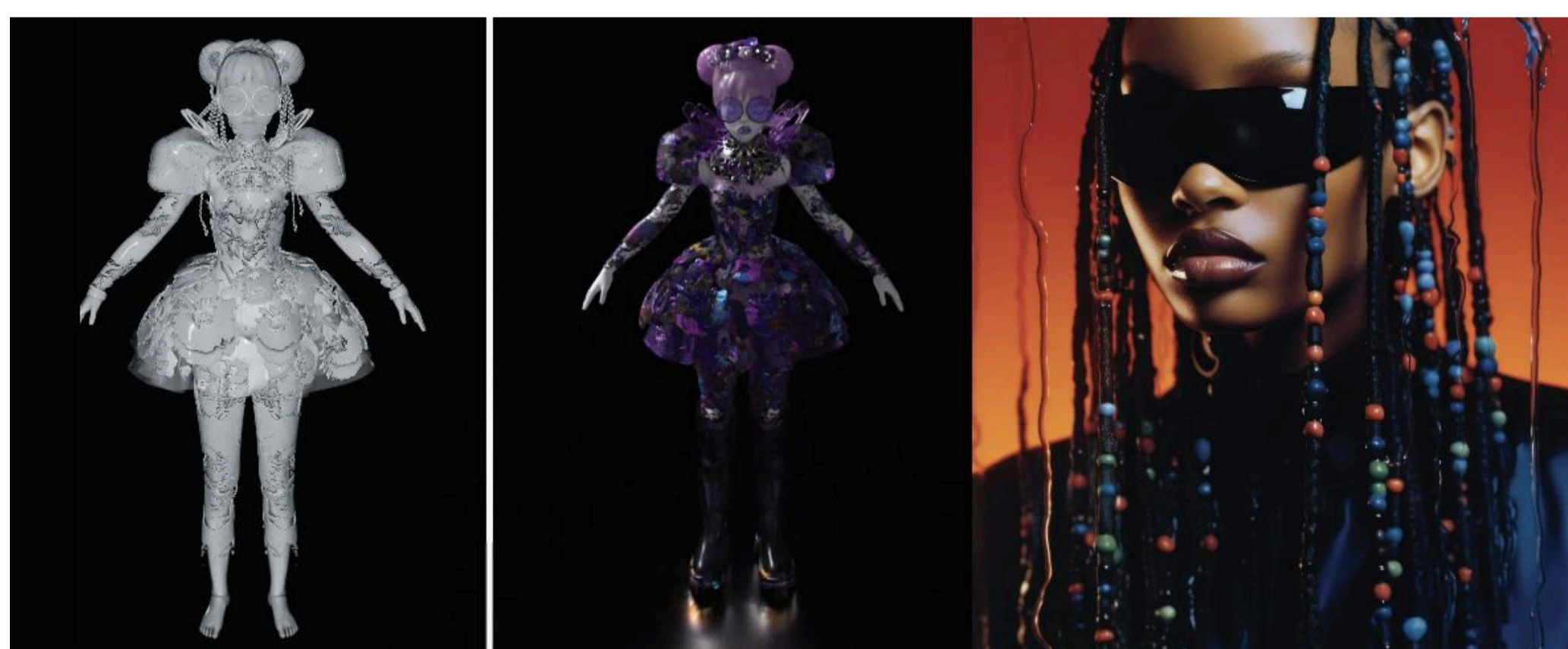
Nike's .SWOOSH platform. This blockchain-based initiative empowers users to collect, co-create, and trade virtual products, even earning royalties from digital Nike items. It's a powerful example of decentralisation, where creative control and value generation shift to the users.



Starbucks Odyssey. This extension of the Starbucks Rewards program blends digital and physical experiences. Members earn and trade NFTs by completing coffee-related activities, unlocking benefits like virtual classes or real-world coffee farm visits. It's a community-driven approach, engaging customers through a shared passion rather than one-way transactions.

→ **Gamification:** In Web 3.0, gamification transcends simple rewards. By integrating game mechanics into the customer journey, brands create immersive experiences that deepen loyalty.

→ **Ownership:** Web 3.0 transforms traditional loyalty programs by enabling customers to own and trade digital assets. Instead of points and discounts, brands can offer valuable, tradable assets that build long-term loyalty.



Gucci's digital fashion and NFTs. On platforms like Roblox and The Sandbox, users can dress their avatars in exclusive Gucci designs and explore virtual spaces like the Gucci Garden. These initiatives gamify the luxury fashion experience, blending digital and physical interactions and captivating younger audiences.



Slice, a mobile and e-sim provider. Through its Web 3.0 initiative, customers earn shares in the company based on engagement and usage. This model shifts loyalty programs from simple rewards to actual ownership stakes, creating a tangible return on loyalty and setting a new standard for customer engagement.

In this new era, memorable experiences—not just clever adverts—will define successful brands. Web 3.0 isn't just a technological shift; it's a transformation in how brands engage with their customers.

To stay relevant, brands must craft a clear, cohesive vision across the fragmented channels and touchpoints of this evolving space. Embracing Web 3.0's potential offers a path to building deep loyalty and future-proofing customer relationships.

Consistency, innovation, and memorable engagement

The future of customer experience isn't just about solving problems; it's about mastering anticipation.

The brands that thrive will excel in three dimensions: the foundational (building trust through consistency), the explorative (uncovering unmet needs), and the memorable (creating emotional connections that last).

The foundational, explorative, and memorable dimensions of experience aren't separate layers of strategy—they are the architecture of relevance.

→ **Consistency** isn't a hygiene factor. It's the trust engine. The brands that master reliability create the conditions for customers to take bigger leaps with them.

→ **Innovation** isn't a product function. It's a customer expectation. The brands that uncover and answer unmet needs don't just win loyalty—they define new markets.

→ **Memorability** isn't a marketing trick. It's a brand's survival instinct. The brands that craft experiences worth talking about won't need to fight for attention—it will come to them.

CX is no longer a support function—it's a market-making force. The businesses that treat experience as the core of their competitive advantage will shape not just customer journeys, but entire industries. Those who optimise for satisfaction will become invisible. Those who design for desire will own the future.

THE TAKEAWAY IS CLEAR

Brands with outstanding customer experience generate **5.7 times more revenue** than their competitors

Research by *The Temkin Group*



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Untangld is an international strategy studio helping ambitious businesses grow by redefining how they win.

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