



2023 Global Customer Experience Report

The rise of AI, cloud and employee
experience in shaping the CX of the future



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About NTT Ltd.

Introduction to the 2023 Global Customer Experience Report

AI is surging and automation is set to revolutionize the entire spectrum of CX.

Organizations continue to invest in building AI-led capabilities to enhance their CX and differentiate themselves in the market.

And, as automation accelerates, they're prioritizing and redefining EX as they look to differentiate and grow.

To keep pace with changing technology demands, organizations are prioritizing cloud and enhancing security to achieve their business goals.



NTT's data-driven insights show you what's changing and how you can enable your organization

Our research, based on extensive interviews (1,442 participants; 25 countries), investigates the challenges organizations are facing today and shows how top performers are building their resilience for a successful future.



In the past decade, in the face of the COVID-19 pandemic and significant global macroeconomic developments such as trade disputes and shifts in economic power, organizations across industries have intensified their efforts to deliver high-quality customer experience (CX). They are expanding their focus beyond the conventional CX parameters to enhance customers' overall perception of their organization at every touchpoint, many of which are now digital.

Great CX is proven to foster long-term customer trust and loyalty while having a measurable effect on the bottom line. Consequently, it has become a priority for C-suite executives, accompanied by investment in technologies that support the organization's CX strategy at every touchpoint, in both the contact center and the broader business: 92% of CEOs interviewed for our report agree that CX improvements will directly affect their net profit. This has elevated CX to board and C-suite level, with 95% of organizations now having a specific C-suite executive responsible for CX, up from 75% in 2021.

NTT has tracked developments in this business area for more than 25 years in our Global Customer Experience Benchmarking Report series. The previous edition, published late in 2021 (some 18 months after the start of the COVID-19 pandemic), highlighted a significant transformation in CX operating models, with dedicated C-level responsibility for CX doubling in just one year. The report also documented transformational changes in organizational behavior and customer engagements, along with notable advancements in automation, collectively signifying a revolutionary shift in CX.

Yet, despite having made significant improvements in CX, organizations acknowledge in the 2023 edition of our report that there are areas where enhancements can still be made: 83% of organizations agree that CX is a weak link in their product or service portfolio and that this has a negative impact on their business.

The report spans **25 countries in five regions**, and we interviewed **1,442 CX and EX decision-makers and influencers** across a range of business roles, from IT, IT security and digital to operations and the C-suite. We cover **14 sectors**, including retail and wholesale, financial services, healthcare, communications, manufacturing and technology.

It shows that, once organizations want to strengthen their CX, they consider enhancements that include developing an employee experience (EX) strategy that incorporates technology and goes beyond just staff wellbeing, moving to cloud-based CX and EX platforms, and deploying AI and machine learning – all underpinned by cybersecurity.

EX and the human factor

With the shift to hybrid working reshaping employee behavior globally, the emphasis on EX has increased significantly, as our research indicates. Previously overshadowed by CX, EX has now taken center stage as a crucial area of focus.

EX has emerged as the top C-suite priority, with the spotlight mainly on technologies that enable and empower employees and raise efficiency levels. EX goals have also been redefined beyond employee wellbeing: the primary objective now is to engage and enable all employees with collaboration and mobility tools, no matter their location, in order to optimize productivity and drive CX.

This is especially important because operating models have kept evolving since the pandemic. According to our report, only 43% of employees who interact with customers directly are currently based in the office full-time, while the remaining 57% work remotely, either full-time (30%) or as part of a hybrid working arrangement (27%).

However, less than half of organizations agree strongly that their employees have adequate access to the necessary technology to achieve optimal performance while working from home or in remote settings.

At the same time, **organizations that report being very satisfied with their level of EX are nearly a third more likely than others to achieve promoter-level CX performance in terms of their Net Promoter Score (NPS).**

Finally, despite significant technological advancements, the human element in CX isn't disappearing yet. In the next 12 months, about two-thirds of CX interactions will still require some form of human support. Automation will complement and enhance human capabilities. Moreover, 88% of CX managers agree that human-led customer support continues to be a vital channel and a valuable tool for brand-building.

Our aim was to demonstrate the increasing importance of EX alongside CX, and the evidence is compelling: a staggering 91% of organizations surveyed for this report agree that improving their EX will directly affect their bottom line, while an equally impressive 92% say the same regarding their CX.

According to our report, only 43%
**of employees who interact with
customers directly are currently based
in the office full-time.**



The crucial link between CX, EX and profitability for enterprise growth has led to a greater need for strategy alignment

Now, EX and the human factor are a top priority ...



It follows, then, that more than half of CEOs in our report strongly agree that CX and EX strategies should be closely aligned to maximize their impact on business growth. Also, these strategies should ideally be underpinned by strong security and a cloud strategy.

What are CX and EX strategies?

A CX strategy encompasses an organization's plans to ensure positive and high-quality customer experiences across all interactions and touchpoints. It serves as a roadmap to achieve customer-centric goals by aligning business processes, resources and technology, and measure progress toward these goals.

This strategy entails researching customer behavior, mapping customer journeys, designing user-friendly touchpoints on various communication channels, and supporting CX employees through the organization's EX strategy.

An EX strategy consists of a series of actions and techniques that foster stronger connections between employees and their work, their colleagues and the organization. Its objectives include enhancing employee productivity and ultimately, by consequence, creating a positive impact on CX.

While EX was previously considered solely an HR matter, it is now a customary business practice and the collective responsibility of the entire organization. In the last 18 months, there has been a marked surge in organizations equipping employees with tools that are tailored to evolving workplace dynamics and support better communication and collaboration, both within and outside the organization.

Together, these evolving aspects of EX and CX are now top of mind in the C-suite.



The criticality of cloud, AI and security

Most organizations plan to increase their investment in both CX and EX, with 95% saying cloud enablement is vital to achieving their CX and EX goals, making it the most important performance enabler. This reflects the broader trend of organizations migrating to the cloud to realize benefits such as cost savings (no more upfront investments in hardware, software and infrastructure), scalability and flexibility, access to collaboration tools and innovation, and improved security.

For EX, 98% of CIOs say they are open to a cloud-based unified-communications-as-a-service model that allows them to access communication and collaboration services from a single provider.

Meanwhile, a growing range of new and enhanced AI-powered tools is fueling the revolution in CX far beyond the versions of AI, robotics, machine learning and analytics already used in contact centers. AI is now seen as the main enabler of CX and EX capabilities over the next three years – with a greater emphasis on hyperpersonalization – and existing AI users cite outcomes that include increased efficiency and speed, and higher levels of customer satisfaction and retention.

All these developments in CX and EX need to be underpinned by dynamic cybersecurity measures. Customers need to know that their personal and financial information is safe when they're interacting with an organization digitally, and organizations need to comply with regulations that govern this. So, data protection and privacy are core elements of the cybersecurity framework. But cybersecurity measures should not negatively affect the user experience, which needs to remain fast and seamless.

Cybersecurity measures also have to safeguard sensitive employee information and protect against breaches that can lead to system downtime and lower productivity. Less than half of organizations (46%) strongly agree that their current cybersecurity controls are effective in protecting and enabling their employees wherever they work.

In summary, executives aim to transform their CX using technology. While they have the option to do it themselves, the majority prefer partnering with external providers. Research indicates that 88% of organizations agree they will seek assistance and access to the latest innovations from third-party support and managed service providers to establish secure technology solutions that cater to evolving customer demands.

We hope you find our analysis and insights useful as you contemplate the future of CX and EX in your own organization.

Amit Dhingra

**Executive Vice President, Managed Network
and Collaboration Services at NTT**





Organizations are poised for a strategic CX reset

1. The rise of EX

Previously recognized as a #1 CX priority, EX has evolved to become a #1 C-suite priority

EX has been redefined to focus on technologies that:

- 1 Enable the employee
- 2 Drive empowerment
- 3 Create optimal efficiency

Those with highly engaged employees are 67% more likely to achieve promoter-level CX.

2. AI will fuel the revolution

Organizations recognize the potential of AI in enhancing CX and EX

- 1 CSAT with AI-led CX interactions is now on a par with CSAT for human-led interactions.
- 2 Customers' resistance to AI-led CX is falling year on year.
- 3 AI is cited as the top enabler for CX and EX in the next 3 years.

Top outcomes being realized from AI are increased efficiency and speed, improved personalization, and greater customer retention.

3. Cloud critical

To enable AI, CX and EX technologies, organizations are relying on MSPs to support their move to the cloud.

4. Security: an all-important requirement

Improvements to CX and EX technologies are underpinned by the need for enhanced cybersecurity.



Section 2

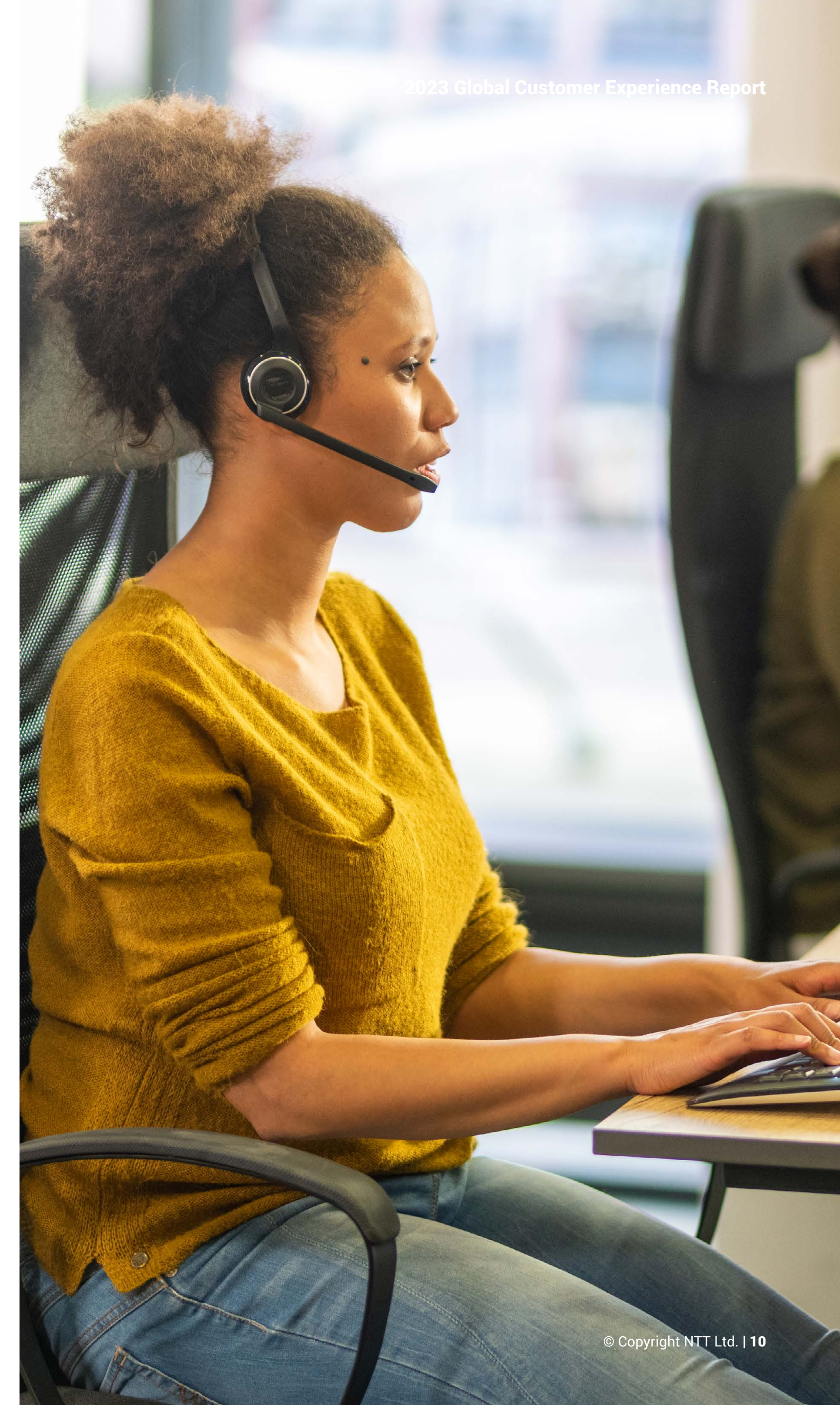
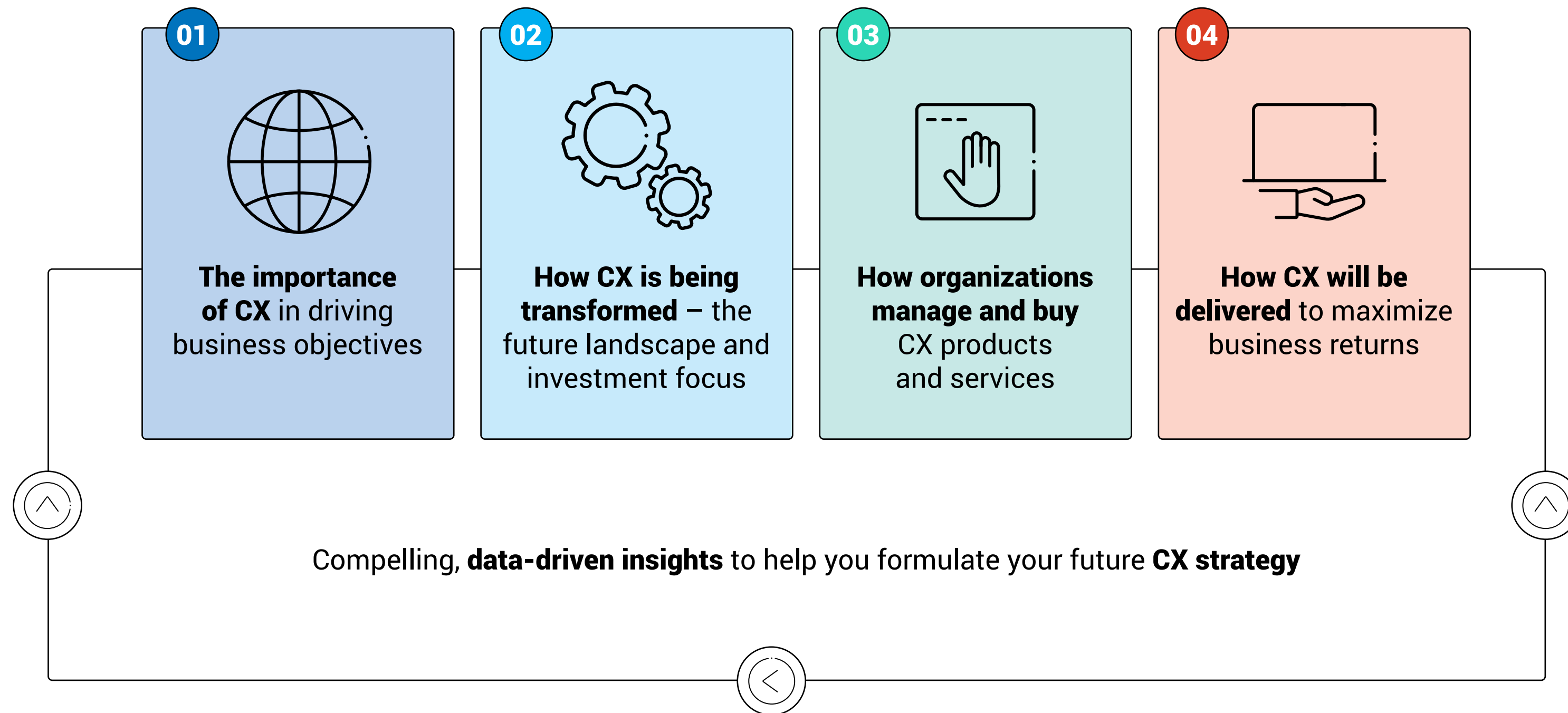
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The importance
of CX in driving
business objectives



The 2023 Global Customer Experience Report is framed against evolving strategic requirements and explores 4 key pillars for unlocking CX potential.



The CX revolution

Organizations are turning to technology to digitalize, innovate and enable.

Top performers are nearly twice as likely as all other organizations to be in a state of advanced digitalization and twice as likely to be very satisfied with their current CX capabilities.

The EX factor

- EX has emerged as a top C-suite priority and key enabler of CX: 91% of respondents agree that improvements in EX directly impact their bottom line; 92% agree that CX improvements impact business growth.
- Two-thirds of CX interactions still require some form of human support: 88% of CX managers agree that human-led support remains a critical channel option and sends a valuable brand message to customers.
- The EX narrative has changed: EX is now about the technologies that enable and empower users and drive efficiency, with a focus on collaboration and mobility tools for seamless EX, regardless of location.
- Hybrid-work enablement is critical: 43% of CX employees remain office-based, but 57% are either hybrid (27%) or fully remote (30%). There's a deepening awareness of the need to attract and retain talent that differentiates.

AI or goodbye

- Organizations are evolving their technology architecture to enable CX and EX success, and they're prioritizing cloud and AI.
- Customer satisfaction (CSAT) with AI-led customer interactions is now on a par with CSAT for human-led interactions, and AI is increasingly embraced by consumers.
- AI is voted the #1 enabler of future CX and EX strategies. AI interfaces are rising to become the norm for 4 in 5 organizations within the next 12 months.
- Hyperpersonalization is developing through analytics intelligence and digitalization, and organically through AI.

EX is now about the technologies that enable and empower users and drive efficiency, with a focus on collaboration and mobility tools for seamless EX, regardless of location.

Cloud is critical

- 94% of organizations say cloud enablement is vital to CX and EX outcomes. It's ranked as the most important performance enabler.
- The majority agree strongly that they're increasing digital technology investments to counter current economic pressures.
- 88% are turning to third-party support and managed services.

Security continues to underpin all priorities and strategies.



Spotlight on EX: key findings



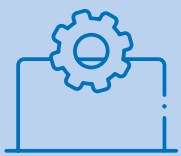
Hybrid work is the norm, but technology that enables employees needs to catch up

- Hybrid/remote work is now the norm for most organizations.
- But just 48% agree strongly that employees have access to the technology they need to enable and augment performance while working from home or remotely.
- 42% say their organization has yet to optimize a hybrid/remote working model, and this has led to a deterioration in employee wellbeing.



There's a growing preference for adopting a unified-communications-as-a-service (UCaaS) model across all workloads – meetings, telephony and collaboration

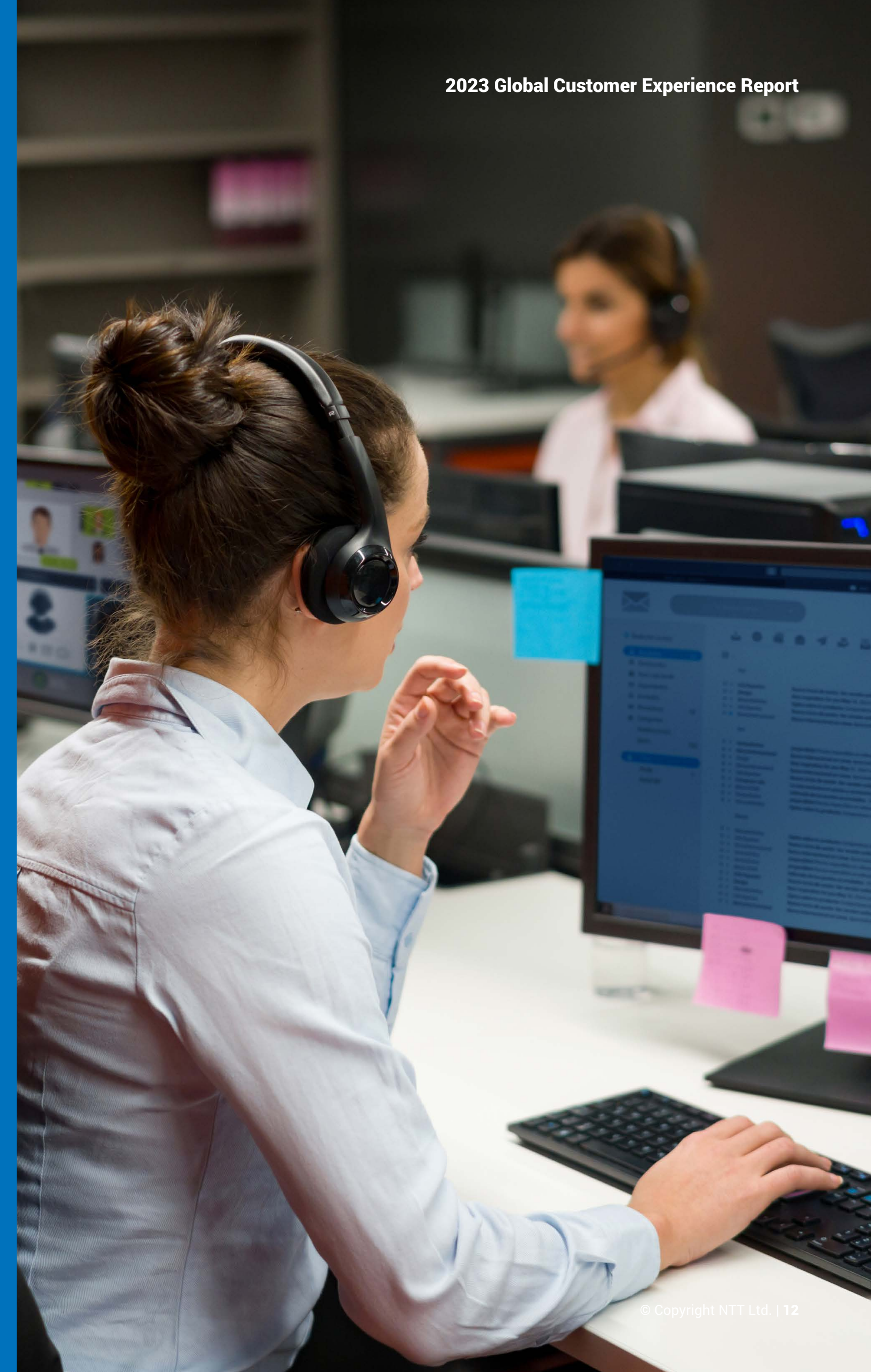
- Flexibility and improved cost efficiency are the top drivers for adopting a UCaaS model. AI is ranked as the top enabler for improving future EX capabilities.
- The majority of CIOs would prefer UCaaS to be provisioned by a single provider that can offer a catalog of services.
- 98% of CIOs are using or open to using UCaaS model.



Hybrid working has led to an increased investment in mobility and, at the office, video-capable spaces

- 78% of organizations have invested in mobility to support hybrid/remote working; 76% say they will invest even more in the next 2 years.
- Video-capable meeting spaces integrated with unified communications are seeing significant growth.
- Hybrid working has accelerated the need for application and device management tools for mobile devices, driving investment in mobile device management, security and support.
- The majority of organizations have now invested in business-grade internet connections (including 4G/5G broadband and SD-WAN).

Security is again a factor that underpins all EX priorities and strategies.



Learning from top performers

Top-performing organizations have not only executed most of these priorities effectively but are also ahead of the curve when looking to the future.

Top performers are

over 2x

more likely than underperformers to be very satisfied with their current CX capabilities.

Top performers are

10x

more likely than underperformers to have significantly increased IT spend.

Top performers are already prioritizing AI

(a 3-year plan for most other organizations) and looking to build on AI with predictive analytics (a top future CX enabler).

Top performers are

25%

more likely than all other organizations to offer top-rated CX via AI.

Top performers are

3x

more likely than underperformers to have significantly improved customer satisfaction.

Top performers are

91%

more likely than all other organizations to have significantly increased their employee satisfaction.



Top performers versus underperformers

From the organizations whose responses were included in this report, top performers are categorized as having:

- Higher revenue growth (revenue increased by more than 10% in the last fiscal year)
- A stronger operating profit as a percentage of revenue (more than 15% in the last fiscal year)

Underperforming organizations are categorized as having:

- Poor revenue growth (0% or less in the last fiscal year)
- A weaker operating profit as a percentage of revenue (less than 5% in the last fiscal year)

The middle of the pack is categorized as having:

- Revenue growth of up to 10% in the last fiscal year
- Operating profit as a percentage of revenue of between 5% and 14.9% in the last fiscal year

Our research shows top performers are ahead of the curve both in executing their CX and EX strategies and in how they have been planning for the future. In terms of CX, they are more than twice as likely as underperformers to be very satisfied with their capabilities.

However, their success doesn't lie in strategizing alone.

Looking at specific areas of development:

- In the context of EX and the human factor, top performers are 91% more likely than all others to have significantly increased their employee satisfaction levels.
- They are also far more likely to have office spaces suitable for hybrid work (61%, compared with 26% of underperformers), and they have invested more than others in mobility to support hybrid and remote working – 50% report making a significant investment in the past two years, compared with just 17% of underperformers.
- Top-performing organizations are also more than twice as likely as underperformers to continue to invest in mobility in the next two years, particularly in business-grade internet connections (79% of top performers compared with 33% of underperformers), application and software development, and the convergence of fixed and mobile telephony.

- Top performers are leading the pack in the use of AI-powered virtual assistants and voice-activated interfaces – they're more than twice as likely as underperformers to already be using these applications. And it doesn't end there: the top-performing organizations are riding the wave of AI right now, with an eye to building out promising applications such as predictive analytics, whereas other organizations may only have included AI in a three-year plan thus far.
- They are far more likely than underperformers to use rules-based robotic process automation (RPA) and virtual or augmented reality (creating immersive experiences).
- Top-performing organizations place more weight on the impact of end-to-end customer journey mapping (40% of the leaders compared with 22% of underperformers), hyperpersonalization (31% versus 13%) and operational technologies (42% versus 19%).

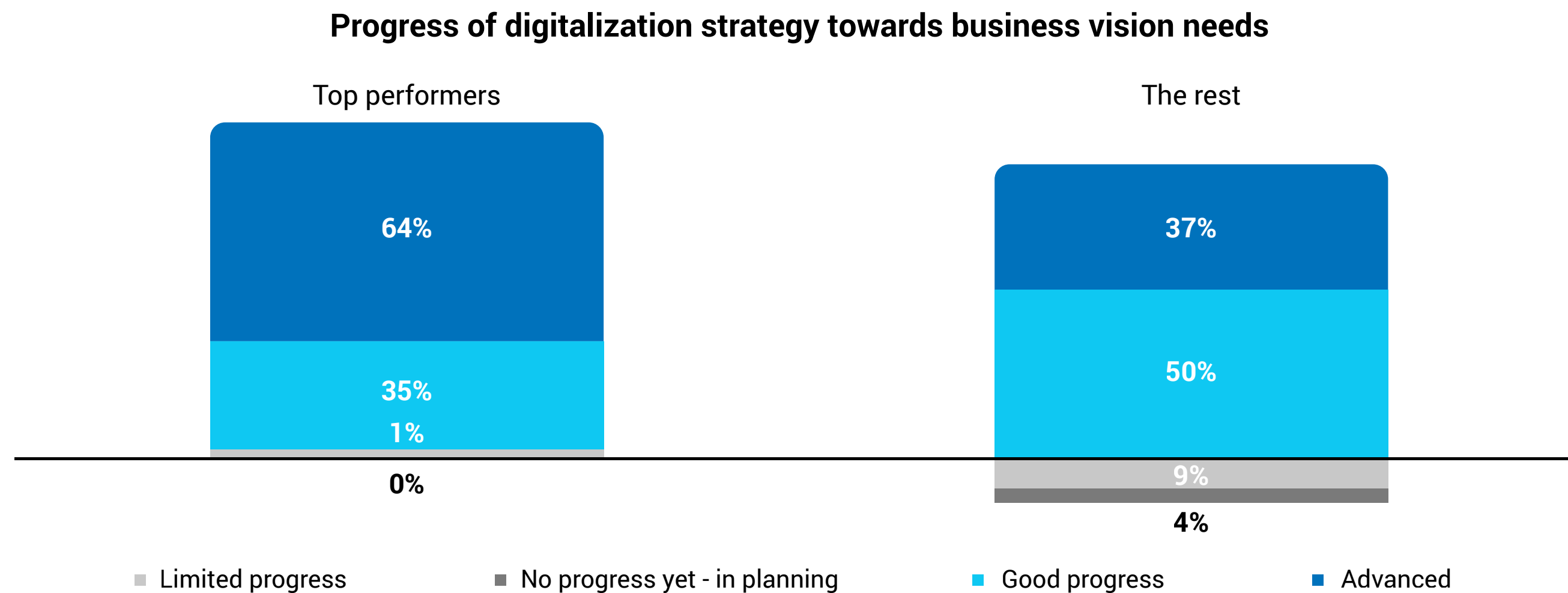


- Top performers are 42% more likely than underperformers to report higher levels of automation in CX because of cloud technologies, and 46% more likely to report improved security and legal compliance for the same reason. In addition, they are 60% more likely than underperformers to report that the use of cloud technologies has improved productivity (better collaboration and communication) in their EX efforts.
- Top performers are nearly three times more likely than underperformers to fully involve their cybersecurity teams in decisions about CX and EX technology solutions.

The top performers' focus on technology extends beyond their CX and EX capabilities, of course. They are almost twice as likely as other organizations to be in a state of advanced digitalization in pursuit of their business vision – two-thirds of top performers rate their status as advanced, but only a third of other respondents say the same.

Top performers are almost twice as likely than the rest to be in a state of advanced digitalization

Almost 2 in 3 (64%) top performers are in an advanced state of digitalization; just 37% of all other organizations say the same



How would you rate the progress of your organization's digitalization strategy towards your business vision needs? (Select one)

Base: All respondents (n=1,442)



How have these developments benefited the top performers?

Top performers are nearly twice as likely as underperformers to report that improved CX has resulted in better outcomes in business growth (including new customer acquisition) and more than twice as likely to report improved employee collaboration as a result of better CX.

In the same period, they also report that improved EX has led to better outcomes in business growth (39% of top performers compared with 25% of underperformers) and the ability to apply price increases, with consumers willing to pay a premium for enhanced service (36% of top performers compared with 13% of underperformers).

Furthermore, half of the top performers report a significant increase in customer satisfaction in the past fiscal year, compared with just 12% of underperformers, and 44% have seen a significant increase in employee satisfaction in the same period (versus only 2% of underperformers).

Section 3

The importance of CX in driving business objectives

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How CX is being transformed



The importance of CX

CEOs are recognizing how CX improvements are directly impacting bottom-line performance and reshaping their organizations to reap the benefits

92%

of CEOs agree improvements in CX directly impact their net profit.

94%

of CEOs agree improvements in EX directly impact their net profit.

95%

have a named C-suite executive responsible for CX (up from 75% in 2021).

Key outcomes from CX and EX improvement:

CX:

- Business growth
- Improved productivity
- Brand advocacy

EX:

- Improved working environment
- Better work–life balance and wellbeing
- Improved collaboration and productivity

87%

of organizations that strongly identify as an employer of choice achieve promoter-level CX results.



The continued importance of CX

When 92% of CEOs agree that customer experience (CX) improvements will directly affect their net profit and 95% of organizations now have a named C-suite executive responsible for this area of the business, it is evident that organizations have realized the importance of CX in attaining their business goals.

Although organizations may be tempted in tough times to reduce their focus on customer experience (CX) as they try to protect their bottom line, not having an effective CX strategy in place is bound to leave them even worse off.

Staying the course on CX pays off: improved customer service aside, organizations in our survey cite the top three outcomes from improving their CX as business growth, improved productivity and a higher level of brand advocacy among their customers, as positive CX leads to higher levels of customer satisfaction.

Great CX sets an organization apart from its competitors. It gives customers a compelling reason to stay loyal to their brand, ultimately maximizing customer lifetime value and, in turn, the organization's revenue potential. Retaining existing customers is also usually more cost-effective than acquiring new ones.

CX goals: effective, effortless and efficient

CX has to be effective and effortless. The most important thing customers want when they contact an organization is an outcome in the shortest possible time with the least amount of friction. If they don't get that outcome, it is perceived as bad CX. This is a central factor in the design of seamless customer journeys. Here, empathy – providing the human touch at the right moment to give a customer a personalized experience – can be a CX differentiator.

Efficiency in how CX is executed is also important. For organizations, CX must be well managed and cost-effective. To achieve this, they are using technologies such as AI, machine learning and predictive analytics, often as part of secure cloud-based CX platforms. They are also turning to managed service providers to bridge their in-house skills gaps in these areas.

Customer engagement is a big contributor to modern CX. Engaged customers are more likely to keep interacting with an organization, which creates opportunities to gather valuable data on their preferences and behavior.

To achieve higher engagement, organizations are now using technology to differentiate their CX and make it more effective, efficiently executed and effortless. In our survey, AI, machine learning and bots are ranked as the number-one enabler that will reshape both CX and EX capabilities in the next three years.

Many organizations are creating user-friendly digital channels that don't involve human contact. When human contact is required, they are ensuring that CX staff are fully enabled by technology and empowered in their jobs.



The rising importance of EX

According to our survey, 94% of CEOs agree that making EX improvements that empower employees and drive efficiencies will improve CX and directly affect their net profit.

However, for many, EX has been redefined. It relates increasingly to concepts that were already ingrained in many organizations and have emerged more clearly since the outset of the pandemic.

Remote working, for example, had been expanding at a steady pace before it boomed during the pandemic. Now it has become part of employee-retention and engagement strategies, including in contact centers. Although it's often seen as more of an internal business objective, EX is a contributor to customer-orientated goals.

Our research shows that only about 4 in 10 CX employees at organizations we surveyed are now fully office-based. The remainder will in part work remotely, with roughly an even split between full-time remote work and hybrid working.

And, while organizations try to find the perfect balance between office-based work and remote working, key business functions such as contact centers have to remain operationally efficient.

Seismic global changes like COVID-19, economic inflation, hybrid working and skills shortages have upset the employer–employee balance, and EX has really come to the fore in this context. **Today's employers have to compete for critical talent to underpin their growth strategy, especially their journey to digital transformation. So, how do you keep your A-grade talent and attract new talent through the promise of EX?**

Marilyn Chaplin, Chief Human Resources Officer, NTT





From wellness to enablement: EX reformulated

Ex is being reformulated: it's no longer simply about employee wellness or health and safety. EX goals now include enabling employees in their jobs through training and tools to drive better CX and have a direct impact on financial outcomes while recognizing their need for a healthier work–life balance.

Organizations that strongly identify as being an employer of choice are almost twice as likely as those that do not to achieve promoter-level CX performance. Those that have improved their EX capabilities and significantly increased their levels of employee satisfaction in the last year also show a 30% increase in their share of customer value or wallet (including customer retention).

A cornerstone of EX is employee engagement – making employees feel connected to the organization. Do they have access to collaboration and communication tools so they can work together seamlessly as a team, no matter where they are? Do they know what is expected of them? Are they recognized for what they are doing and the value they add?

A few years ago, this may have been easier to achieve when everyone worked together in an office. Now, however, new technologies are enabling increasingly virtualized workplaces. In the contact-center environment, for example, supervisors can interact directly with their employees, even while they're engaged with calls, to give them immediate feedback, support escalations and understand in real time how their employees are performing.

This level of management and technical support can make a difference not only to employee satisfaction but also to overall business performance.

These virtual connections can ensure consistency in how customers interact with and perceive the brand, and remove friction from CX by supporting the quick resolution of problems.

The EX perspective is often misunderstood or ignored because it's hard to measure. EX is not about raising productivity by increasing employees' work hours. Rather, it's about making things easier for employees so they have more time to focus on what truly matters in their jobs and can improve how much they produce in the time they have available. For example, 80% of operations managers in our survey say that AI and automation are making a significant impact in removing drudgery from contact-center agents' interactions with customers.

This is accompanied by a growing emphasis on maintaining a healthier work–life balance: good EX also creates more opportunities for employees to do things other than work.

How has EX been redefined?

EX now refers both to the interactions that employees have with their employer – including recruitment, training and development, and their workspace – and to the evolving and increasingly cloud-based technology they need to do their jobs (think communication and collaboration tools). It focuses on creating an engaging, enabled work environment because happy employees are more likely to be productive and committed to the organization's success.



Bringing together CX and EX: the business case

The CEO perspective

Align outcomes with key business objectives

Most CEOs (95%) agree that **blended CX and EX efforts** will positively impact **business growth**.

5 priorities



Organizations agree that CX and EX should be seen as two sides of the same coin. They are among the top three priorities of CEOs, and 95% of CEOs agree that aligning their CX and EX efforts will have a positive effect on business growth.

However, in terms of putting it into practice, there is a gap: while 97% of organizations report having a CX strategy in place, only 81% say the same for EX. Organizations with both strategies in place report promoter-level CX ratings more than five times higher than other organizations' ratings.

Unveiling the gaps in strategy alignment

97% of organizations have a CX strategy in place; 81% have an EX strategy.

79%

CX and EX strategies
Of these, 26% achieved promoter-level CX ratings

18%

CX strategy only
Of these, 18% achieved promoter-level CX ratings

2%

EX strategy only
Of these, 14% achieved promoter-level CX ratings



Toward the total experience

An aligned strategy is about both access to data and the digital tools that bring EX and CX together to create the best possible CX. It leads to the concept of the “total experience”: bringing EX and CX together in terms of how customers interact with an organization’s employees, how the employees react to those interactions and follow up on them, and how they can better address the customers’ needs – in other words, improving business agility and responsiveness. Hence, CX and EX are among the top three priorities for organizations in most sectors.

In this context, employees are not only CX and contact-center staff and their managers. Through EX tools like Microsoft Teams or Cisco Webex, contact centers can easily expand their scope to seamlessly rope in expertise from employees elsewhere in the business when required, all in the pursuit of great customer service. They also have easier and faster access to enterprise-wide information.

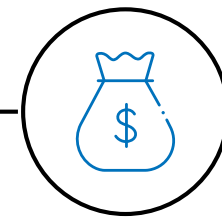
Business drivers vary by industry, yet CX continues to be one of the top priorities in almost all sectors

Retail priorities



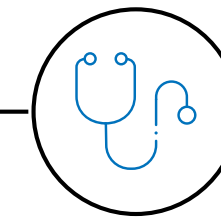
- 1 Cybersecurity
- 2 Improve EX
- 3 Improve CX/digitalization

Financial services priorities



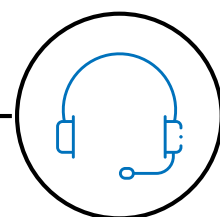
- 1 Improve EX
- 2 Sustainability
- 3 Improve CX

Healthcare priorities



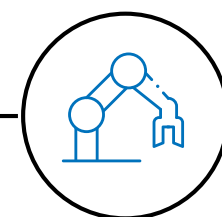
- 1 Improve CX
- 2 Sustainability
- 3 Revenue growth

Communications (incl. telco) priorities



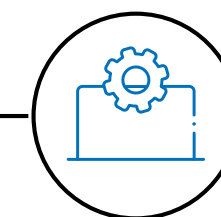
- 1 Sustainability
- 2 Improve EX
- 3 Improve CX

Manufacturing priorities



- 1 Improve operational efficiency
- 2 Digitalization (incl. innovation)
- 3 Improve CX

Technology priorities



- 1 Improve EX
- 2 Cybersecurity
- 3 Digitalization (incl. innovation)

Using hyperpersonalization to forge stronger customer connections

Hyperpersonalization is the use of real-time data, machine learning, predictive analytics and AI to generate insights, create customized and targeted customer experiences, and allow organizations to provide context to every customer interaction. Organizations with hyperpersonalization capabilities have the insights they need to adapt to their customers’ changing requirements in real time.

The move to blend CX and EX strategies is becoming more prevalent in industries such as retail and financial services, which have many customer touchpoints and complex services. Here, a stronger customer connection can be forged through hyperpersonalization – but organizations first need to intimately understand their customers and be able to anticipate their moves and needs.

If they achieve this, they can expose their customers to the right products or services at the moment when they need them – or even before they realize what they need – and deliver these in an efficient, error-free and frictionless manner.

Along the way, they can use technology to minimize their customers’ interaction with human employees. But, for more complex customer interactions, employees must have access to the right tools and information to handle these points of friction during the first customer interaction.




Breaking down the silos


Why are strategies not aligned?

Inadequate or outdated technology is a common factor preventing the advancement of the CX and EX vision.

Top reasons CX strategy is not fully aligned with business strategy:

- 
- 1 Inadequate or outdated technology
 - 2 Budget constraints
 - 3 Restricted by processes of partners

Top reasons EX strategy is not fully aligned with business strategy:

- 
- 1 Focus on business as usual
 - 2 Restricted by processes of partners
 - 3 Inadequate or outdated technology

Organizations with both CX and EX strategies in place are almost six times more likely than all others to achieve promoter-level CX performance (in terms of their NPS).

However, this approach can be almost impossible to implement in siloed organizations where CX and EX are managed separately and not aligned with their business and technology strategies.

Only 60% of organizations say their CX strategy is fully aligned with their business strategy, and this figure drops to 44% for their EX strategy.

Those that have fully aligned their CX strategies with their business strategies are over three times more likely to report a significant increase in annual revenue when compared with those that have only partially aligned these strategies.

The blending of CX and EX drives real-time workplace and contact-center collaboration. The contact center is no longer a silo where a call escalation implies a long wait as the agent tries to follow up with other staff members offline, or transfers the call with little or no data to support it. Instead, there is now a seamless experience between what's customer-facing – an organization's interactions with its customers – and how employees interact with their own workplace, toolsets and more.

Furthermore, more than half (56%) of organizations say their technology and CX strategies are not fully aligned, and 58% say the same about their technology and EX strategies – even though such alignment makes reaching a promoter-level NPS 67% and 76% more likely, respectively.

Challenges relating to technology are a prominent factor holding back the realization of the vision of unified CX and EX. Inadequate or outdated technology is the top CX concern for organizations (followed by budget constraints and restrictive partner processes) and their third most pressing EX concern.







Reaping the rewards


Outcomes from improving CX/EX capability in the last 12 months


Financial outcomes

-  **1** Business growth (incl. new customer acquisition)
- 2** Ability to apply price increase (consumers will pay a premium)


-  **1** Business growth (incl. new customer acquisition)
- 2** Reduction in costs


Customer outcomes

-  **1** Improved customer service (incl. ease of resolution)
- 2** Improved brand advocacy

-  **1** Improved customer service (incl. ease of resolution)
- 2** Increased share of customer wallet/value (incl. retention)

Employee outcomes

-  **1** Improved productivity
- 2** Improved employee advocacy (incl. engagement)

-  **1** Improved hybrid/remote working enablement
- 2** Improved productivity

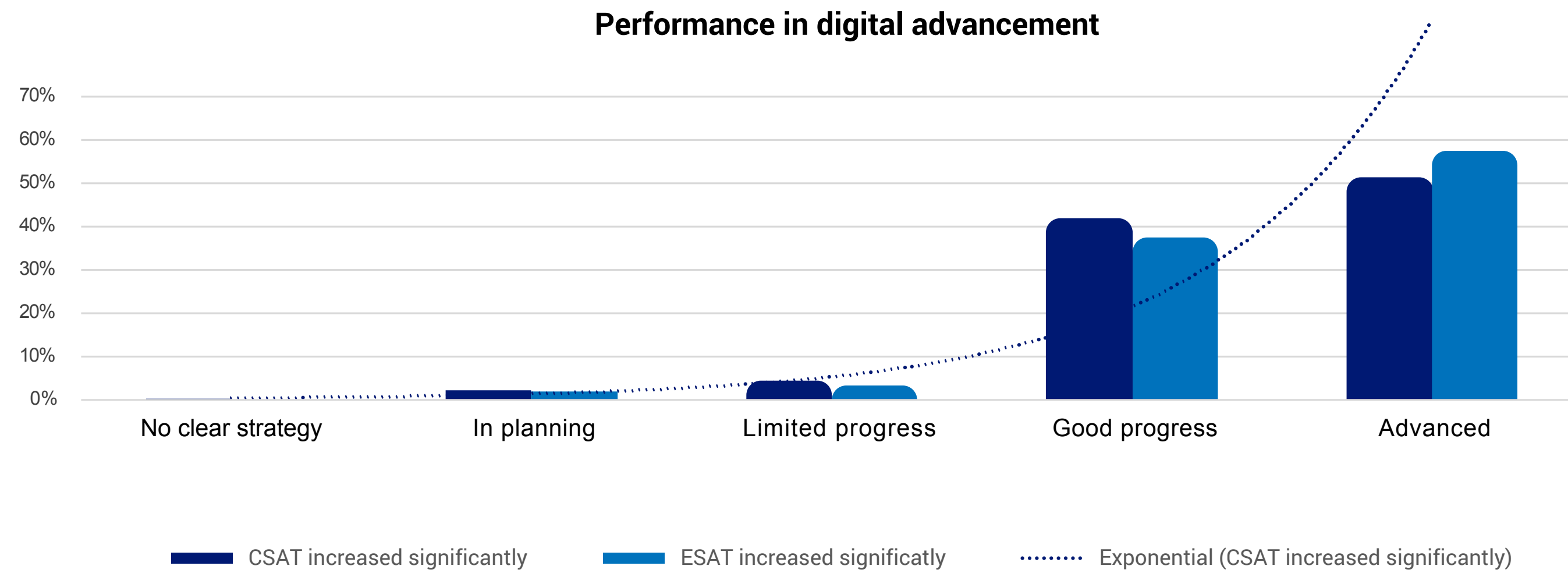
Looking back over the past year, organizations that have improved their CX and EX report business growth as their top outcome, while better EX has led to greater enablement of hybrid and remote working for their employees, who are now more productive and engaged.

Meanwhile, organizations are reaching new levels of customer and employee satisfaction through digital advancement. Among respondents that reported good or advanced progress in their digital advancement, there were significantly higher levels of customer and employee satisfaction than those reported by other organizations.



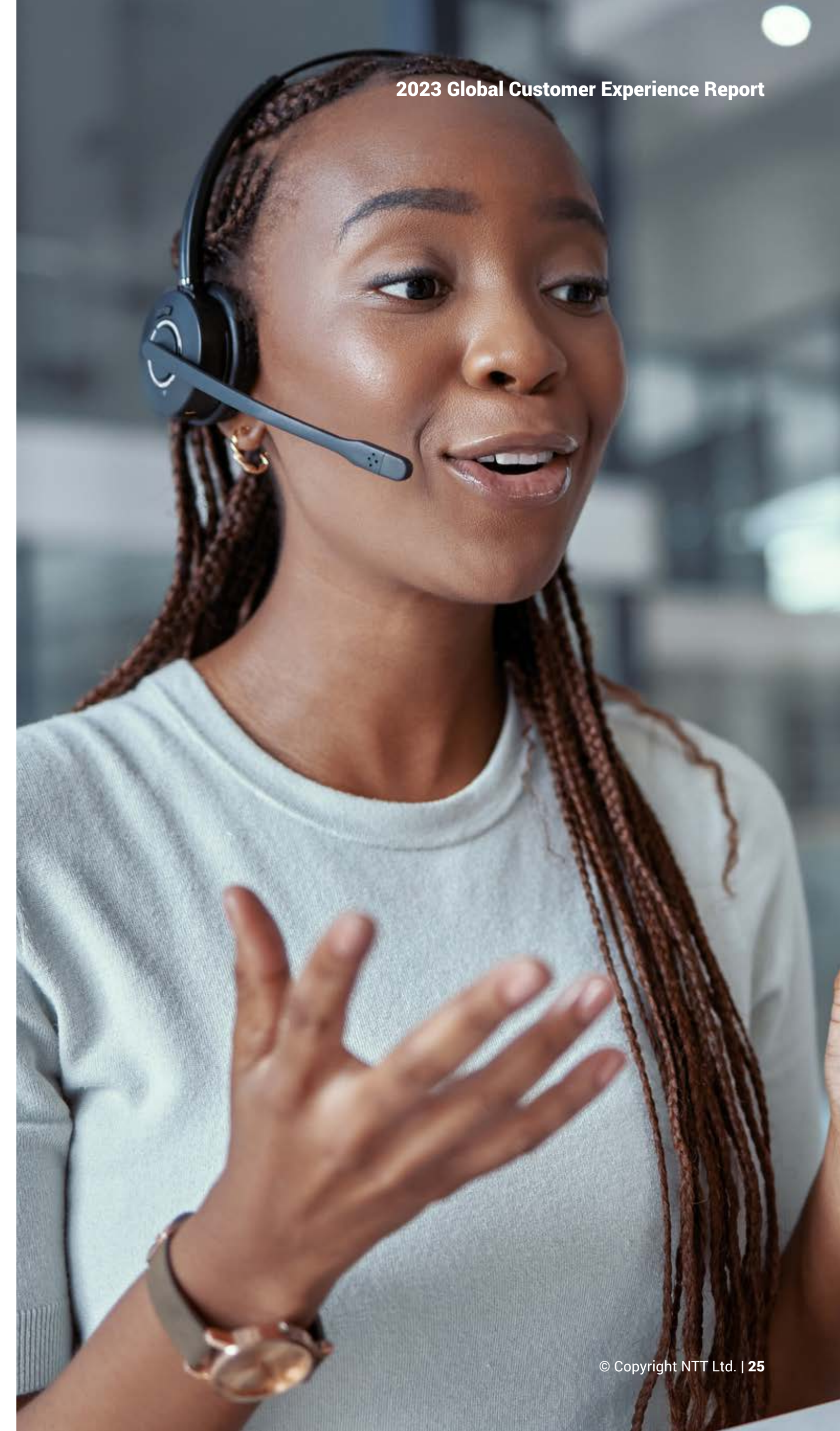
Increased digital advancement is linked to improved customer and employee experiences

Increased digital advancement leads to an exponential increase in customer and employee satisfaction.



Please rate your organization's performance in the following areas in the past fiscal year (Select one for each)

Base: All respondents, excluding "Don't know" responses (n=1,422 to 1,435)



Section 4

How CX is being transformed



Previous
The importance of CX in driving business objectives

Next
How organizations manage and buy CX products and services



How CX is being transformed

Organizations are evolving their technology architecture to enable CX/EX success.

Cloud, network modernization, AI and hybrid work are top priorities.

94% of organizations agree (46% very strongly) that cloud solutions are vital for enabling outcomes related to CX and EX.

#1 Cloud technologies are named as the enabler that will have most impact on positively reshaping future CX capabilities.

90%

say that investments to enable hybrid/remote workers have an impact on bottom-line performance.

#1

AI, ML and bots are considered the #1 enabler that is key to reshaping CX and EX capabilities in the next 3 years.

2 in 3

organizations have replaced traditional CX performance indicators with new success metrics.

95%

agree that a demand for personalized CX is driving the rapid integration of touchpoints that unite real-time customer data with AI/analytics.

#1

Technology enablement (correct and efficient collaboration tools) is the top priority for enabling EX.



The digital revolution in CX has gone far beyond simply referring to call centers as contact centers (incorporating the CX back office), with implications for every part of an organization. Now, 95% of organizations see CX as a core performance indicator of executive performance and success, and almost all have a C-suite-level executive responsible for CX.

The advances being made in CX and EX are underpinned by fast-evolving technologies such as cloud (#1 solution for shaping future CX capabilities), AI (including machine learning, analytics, hyperpersonalization) and cloud. Organizations are incorporating these technologies into their IT architecture in pursuit of CX and EX success, although many struggle to optimize their efforts and, overall, just 39% report advanced progress in terms of their digitalization strategy.

The CX revolution

CX has become a fundamental indicator of business success, driven by technology integration, personalization and empowered employees.



95% of organizations use CX as a **core performance indicator** or **executive performance/success indicator** and have a C-level executive responsible for CX (up from 75% in 2021).



Cloud technology is the **#1** solution for positively reshaping future CX capabilities; **AI and predictive analytics** complete the top-3 list.

On the near horizon, with the tight coupling of EX and CX, organizations now list employee training and empowerment as their prime enabler for improving their CX capabilities in the next year, followed by a reinvented CX operating model (redesigning their CX to adopt these new technologies and align them with their business and EX strategies), and systems integrations (including connected customer journeys – customers' experiences across a brand's multiple touchpoints and channels, seamlessly connected to create cohesive CX).

However, looking ahead three years, AI solutions (such as machine learning and tools like ChatGPT) rise to the top of this list, followed by systems integrations and predictive analytics – showing just how important AI-powered CX solutions will become in future.



In this section we explore the key themes transforming CX:

- **The rising influence of EX:** The changing work environment and new employee expectations are also affecting CX strategies. Hybrid and remote working have become more commonplace, and organizations have to find ways to enable their employees with technology to achieve higher levels of employee satisfaction and productivity. In turn, these advances in EX can support improved CX delivery. AI is an important enabler here: advances in AI are enhancing the abilities of traditional RPA and fueling predictive and increasingly powerful real-time analytics that organizations can use to deliver data-driven CX and EX insights.

- **Cloud-based CX:** Migrating their CX functions to the cloud allows organizations to scale up and down easily as demand changes. It gives them the flexibility to add enhancements on-demand and securely, thereby accelerating their access to innovation, while allowing the integration of digital technologies such as advanced analytics and AI. They can also seamlessly try out new digital communication channels such as cloud-based apps and chatbots, or deploy real-time speech and text analytics in support of automated agent assistance and quality management, among other benefits.

Cloud computing has laid the foundation for composable CX technology: a robust set of product and technology building blocks. Composable CX is achieved by assembling, combining and orchestrating individual CX capabilities that use open application programming interfaces and microservices in order to achieve resilience, scale and innovation.

In fact, cloud technology is identified as the top solution that organizations need to reshape their future CX capabilities, followed by AI and predictive analytics.

The changing work environment and new employee expectations are also affecting CX strategies.

- **AI-powered CX solutions:** AI, machine learning and predictive analytics – all integrated into a workplace environment where hybrid and remote working have become the norm – are giving modern CX strategies even more firepower.

For example, contact centers are introducing more widespread automation in the form of chatbots or intelligent routing, even if some customer interactions are still escalated to a human. An AI-driven bot can take notes and produce call summaries and evaluations while an agent is still talking to a customer, for example, and it's all integrated – the call recording, the voice and the app.

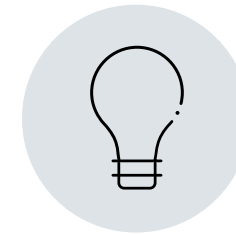
These tools can also take valuable and time-saving next steps, such as prompting an automated robotic process to export the latest call data to the organization's customer relationship management (CRM) system.

- **Customer journeys and hyperpersonalization:** To identify key themes across all customer interactions that can lead to actionable insights, organizations need to start mining all touchpoints – voice or digital – for data. This requires comprehensive customer journey design. Then, hyperpersonalization can anticipate a customer's needs based on real-time data such as their browsing and buying behavior.
- **Cybersecurity:** Security remains a crucial consideration in fast-evolving CX and EX strategies where there is sensitive customer and employee data to protect, as well as the need to reassure customers that their digital interactions with an organization are always fully secure.



EX: employees enabled by technology

Technology empowerment takes center stage as organizations embrace mobile work, hybrid offices and cutting-edge technology to enhance employee efficiency. Over 9 in 10 say talent retention is a key motivator to improving EX.



96% of organizations agree, 45% strongly, that **evolving work and employee engagement models** are driving **new technology demands**.



Technology enablement (correct and efficient collaboration tools) is the **#1** organizational priority for enabling **EX strategies** in the coming 12 months.

Employee expectations and employer needs have transformed significantly since the COVID-19 pandemic forced the acceleration of remote and hybrid working. In some organizations, this has led to an increase in productivity accompanied by higher levels of employee satisfaction and retention. The implementation of tools and policies that support hybrid working will continue to accelerate, but with the recognition that not everyone can work from home all the time.

Organizations can achieve better business outcomes if it's easier for their employees to collaborate and communicate with each other. This includes CX employees, who should have quick and seamless access to non-CX employees.



Technology enablement is a top priority

For organizations that want to improve EX in the next year, technology enablement – communication and collaboration tools that can support their employees – is at the top of their priority list, with 96% agreeing (45% strongly) that evolving work and employee engagement models are driving new technology demands.

For example, to support contact-center employees both in the office and remotely, the increasingly more powerful abilities of AI tools in the CX environment will help establish and manage a dynamic, growing knowledge base that can be accessed by all staff – or even suggest relevant information proactively. No longer having to rely solely on their colleagues or legacy systems for help can make employees feel more empowered in their jobs.

AI and beyond

AI can also help to anticipate high volumes of calls on a particular day to assist an organization in making resourcing decisions. Meanwhile, AI-generated call recordings and transcripts provide supervisors with sentiment analysis and key themes to support training and enablement.

For organizations that align their CX and EX technology roadmaps, the activation of collaboration tools as part of their EX strategy also allows them to benefit from a native integration of their EX platform of choice (for example, Microsoft Teams or Cisco Webex) with their CX platform. In turn, this helps CX staff streamline the resolution of more complex issues that require the involvement of non-customer-facing employees – especially when those subject matter experts are working in the field (maintenance technicians, for example).

Beyond AI, organizations must consider all the tools that agents need to do their jobs, from the processing power of their laptops to a web-friendly CRM system that automatically populates web forms with data about a customer as soon as a call is routed to an agent.

Although much of the EX focus is now on broader employee enablement and productivity, supporting physical and mental wellbeing in the workplace is still important too. Automated wellness bots can remind employees to drink more water or take a break from their desks at certain intervals.

Designing the workplace of the future

Workplace management is also part of evolving EX concepts. The traditional office or workspace is being reshaped into a hybrid workplace. Organizations are reducing or repurposing spaces to cater for specific needs and situations, such as team meetings that take place on certain days of the week. This may involve adding video connections to all meeting rooms, for example, so that remote workers can contribute almost as if they were physically present.

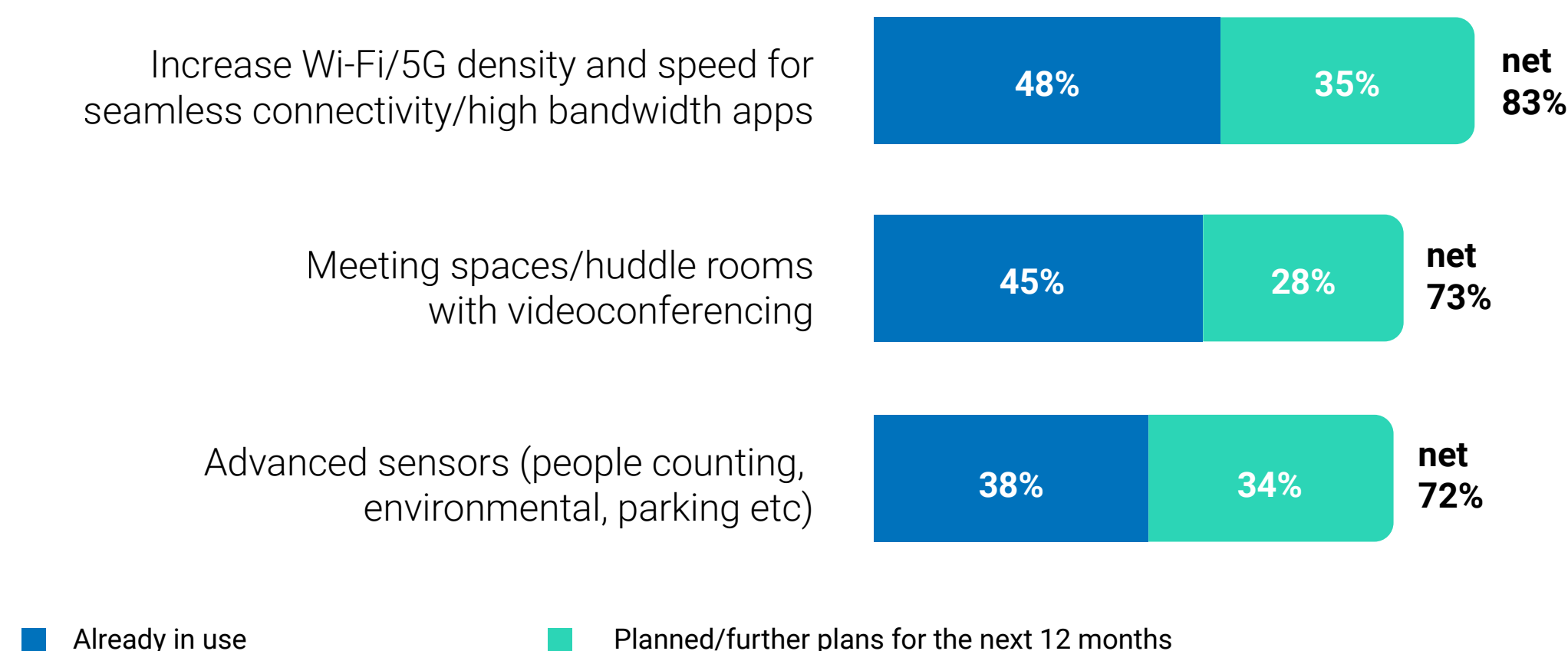
However, only 43% of organizations agree strongly that their office space fully supports hybrid working – that is, they have consolidated their office spaces, and invested in technology to upgrade and adapt their office environment.

No longer having to rely solely on their colleagues or legacy systems for help can make employees feel more empowered in their jobs.



Organizations are equipping their office spaces

Organizations plan to consolidate office spaces, create flexibility and invest in technology like Wi-Fi/5G density and IoT to welcome workers back to the office environment.



Three-quarters have increased or are planning to increase hot-desking and have fewer individual workspaces.

In terms of technology, 48% of organizations say they have already increased their Wi-Fi/5G density and speed to support seamless connectivity for employees and high-bandwidth apps, while 35% plan to do so or continue their efforts in the next year – meaning 83% of respondents are attending to this need.

Similarly, 73% are upgrading meeting spaces with videoconferencing (45% have already done so), and 72% have implemented or are implementing advanced sensors for counting people or monitoring environmental factors in the office, for example (38% say they have already completed this).

Overall, while 21% of organizations report that more than three-quarters of their meeting rooms are currently video-capable and integrated with unified communications systems, 44% plan to reach this level in the next 12 months.

Looking at the level of technology sophistication, 76% already have some simple and cost-effective technology (one screen, a webcam, microphone and speaker phone) in place or plan to have it in place in the next year; 70% have implemented or will implement advanced technology (touchscreens and dual screens, for example) and 62% are opting for complex technology that includes telepresence and augmented- or virtual-reality tools.

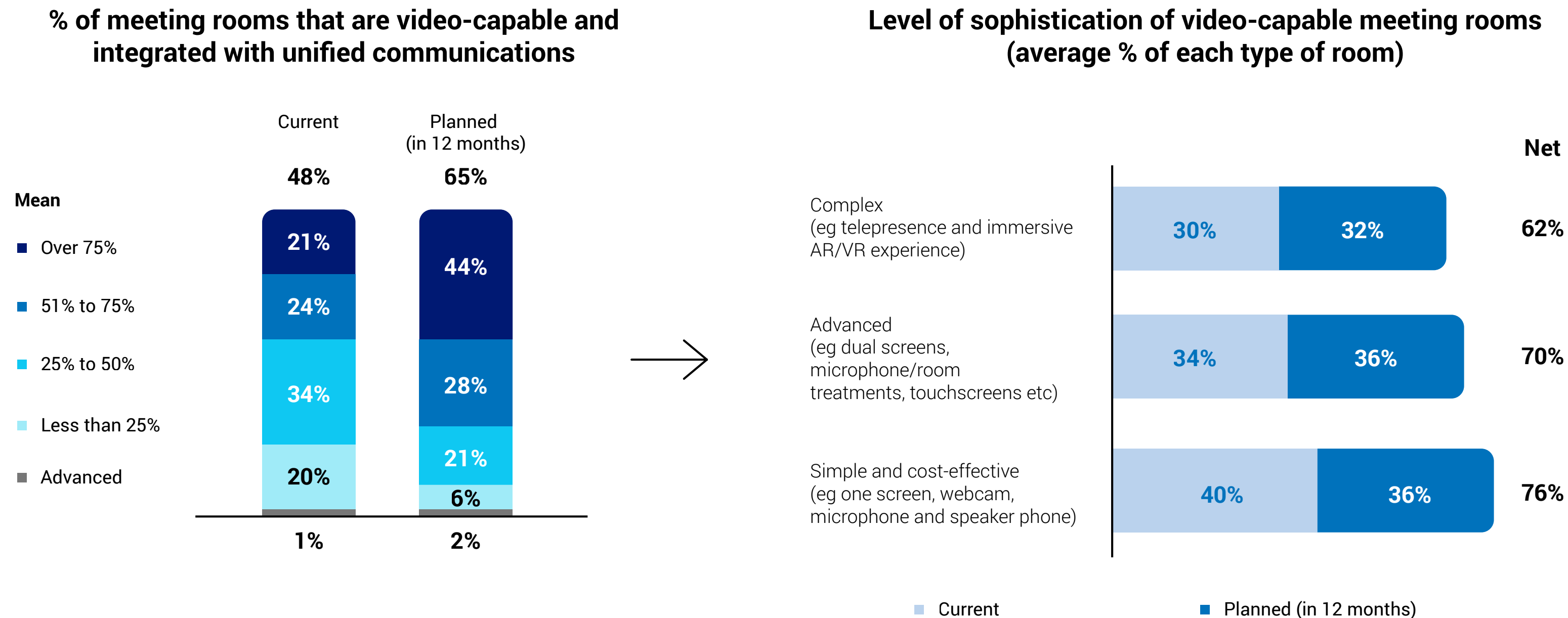
Understandably, the prioritization of these efforts differs by industry. Improving Wi-Fi/5G density and speed is a top priority in retail, financial services, healthcare and communications, coming in ahead of collaborative workspaces, social areas and meeting rooms with or without video.

However, video-enabled meeting spaces come first in manufacturing (followed by creating quiet or private spaces and relaxation or social areas), while collaborative workspaces top the list in the technology industry, ahead of huddle rooms without video and better Wi-Fi/5G density and speed.



Prevalence of video-capable meeting rooms

Organizations are increasing the number of meeting spaces that are video-capable and integrated with unified communications, with varying levels of complexity.



What percentage of your organization's meeting rooms are video-capable and integrated with unified communications?

(Select one for each) Base: All GROUP 4 – IT respondents, excluding "Don't know" responses (n=416/415)

What percentage of meeting rooms that are video-enabled now, or will be video-enabled within the next 12 months, can be described as...

(Enter number from 0-100 for each) Base: IT respondents with video-capable meeting rooms, excluding "Don't know" responses (n=299 to 311)

Optimizing phone systems and services

Also trending in addressing EX priorities are fixed–mobile convergence and mobile-first strategies.

Now that so much communication has shifted to Voice over Internet Protocol (VoIP), organizations are rationalizing telephony. There is less and less telephonic contact between colleagues, at least within the same organization; calls are mostly placed through Microsoft Teams, Cisco Webex and similar platforms.

Priorities for EX

Right now, organizations list mobile and remote-working tools (think mobile device management, devices and headsets) and fast, reliable and secure networks as the most important enabler to improve their EX capabilities in the next 12 months.

This is followed by designing the hybrid workplace (including equipping meeting rooms with video technology and redesigning offices), evolving technology architectures (cloud computing and network modernization), cybersecurity (to protect sensitive employee information, example) and access- and identity-management hardware and software (such as biometrics).

However, looking ahead three years, AI, machine learning and bots rise to the top of their list of EX enablers, with evolving technology architectures in second place, and mobile and remote-working tools dropping to third place, ahead of IoT, sensors and wearable technology. Access- and identity-management hardware and software remain fifth in the ranking.



Even now, organizations are adopting AI-driven tools to make the lives of their employees easier and to enable them to do their job better – for instance, by applying AI to help an employee search for the right answer to a customer's question. It also makes the interaction with the customer faster, more effortless and more efficient. The employee doesn't have to ask colleagues for help or search a complicated knowledge base, because the AI has already presented the right answer.

The integration of CX and EX means organizations can put EX tools and strategies in place to keep their employees happy and enabled, which ultimately allows them to provide better customer service.

However, despite the technological advances being made in CX and EX, don't expect to see fully automated contact centers any time soon. Consumers are fast becoming accustomed to AI-based chatbots or robotic and AI-enabled voice-activated interfaces but still want the ability to escalate their issues to a human fast and seamlessly.

Our research shows that 69% of CX interactions will remain human-led or human-supported in the next year – but will these humans have the tools to do their jobs well? Only 48% of respondents strongly agree that their employees have access to the technology they need to bolster their performance in hybrid or remote working.

Employees (and customers) on the move

CX employees working outside the office will still need consistent and secure access to customer data, communication channels and CX tools via their laptops or smartphones, for example. The level and speed of customer service they provide cannot be affected by their physical location, and they should still be able to collaborate and communicate easily with all of their colleagues – all while maintaining strict security to protect both corporate and customer information. Less than half (46%) strongly agree that their current cybersecurity controls are effective in protecting and enabling their employees wherever they work.

Now, 73% of organizations say they have already invested in mobility in response to the impact of hybrid and remote working, and 75% plan to invest even more in the next two years.

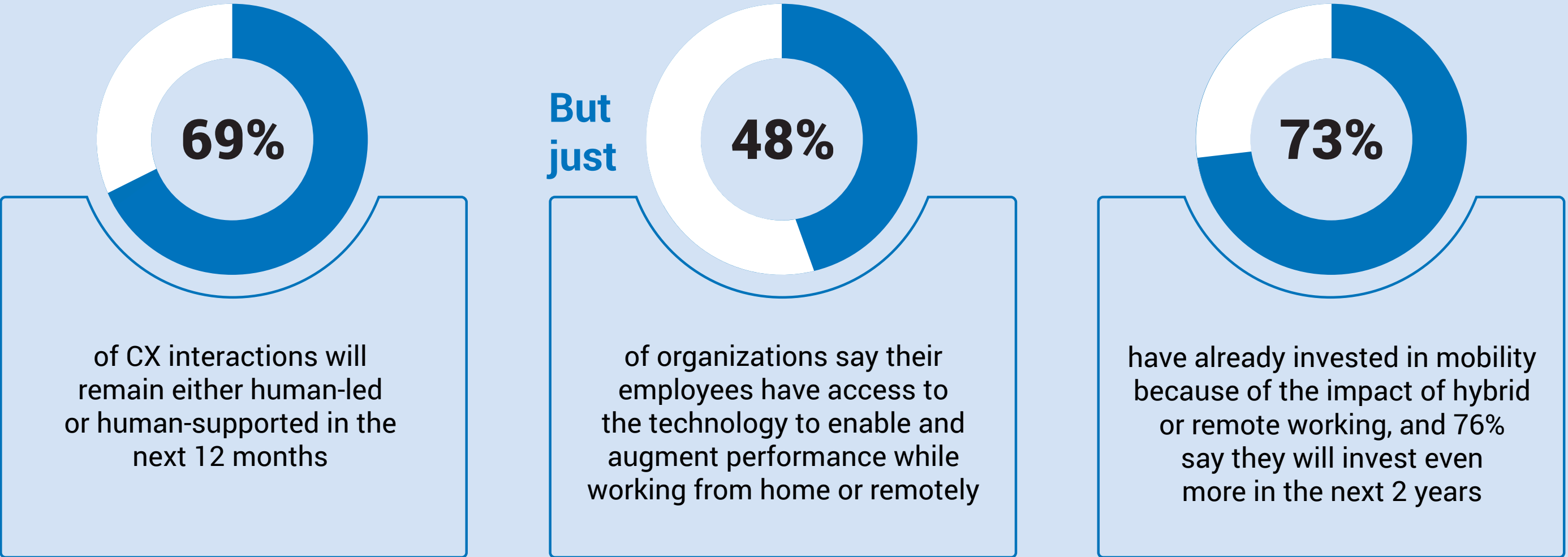
In this context, mobility refers to the ability of employees (and customers) to access CX channels and systems from anywhere, using a range of devices.

Because hybrid and remote working involves employees using a range of mobile devices such as phones, laptops and tablets in myriad locations, leaving them more vulnerable to cyberthreats, organizations also have to invest more in securing these devices. In our report, 94% of organizations say they have already increased their investment in data protection and security.

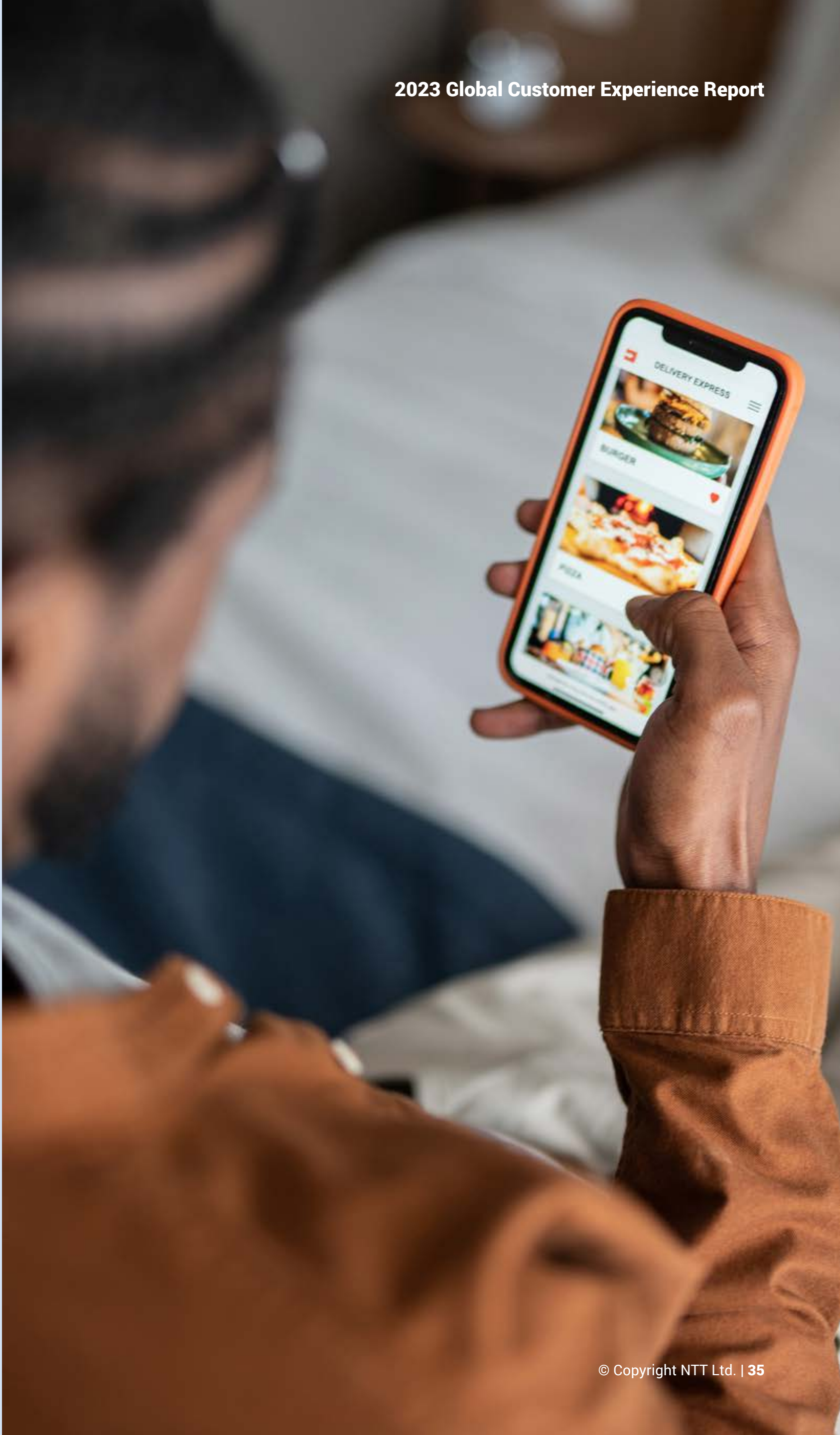


The hybrid challenge: advancing mobility

Despite the growing prominence of technology in CX, humans continue to play an essential role. However, the landscape is changing, and organizations need to adapt to new requirements.

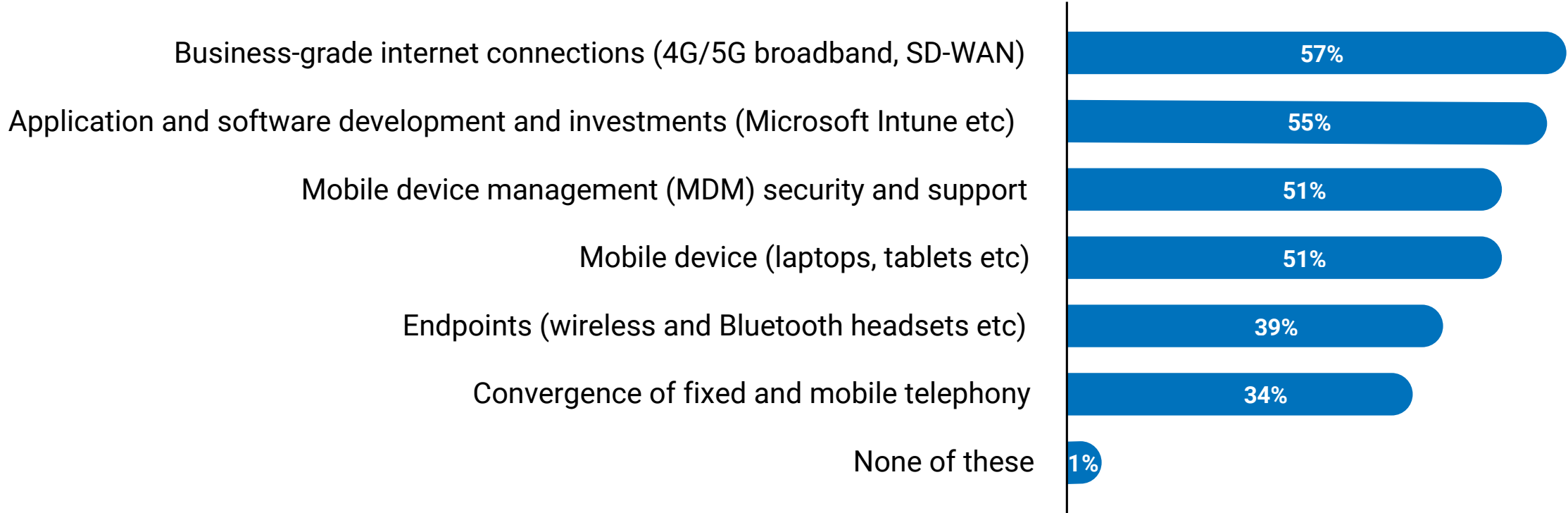



Hybrid working has accelerated a need for application and device management tools across mobile devices, driving investment in mobile device management security and support.



Top mobility areas prioritized for investment

To meet certain demands created by hybrid work models, the majority of organizations have invested in business-grade internet connections, application and software development, mobile devices and mobile device management.




94%
say hybrid work has already caused them to increase their investment in data protection and security

Which, if any, of these areas of mobility has your organization invested in/prioritized? (Select all that apply)

Base: All GROUP 4 – IT respondents (n=422)



The criticality of cloud

The cloud has revolutionized the way organizations leverage technology. It's driving digital transformation, empowering organizations and enabling them to respond to customer demands.



95% of organizations say cloud solutions are vital for **enabling outcomes related to CX and EX**.



Organizations vote cloud technologies as the **#1 enabler** that will help to **positively reshape** future CX capabilities; **92%** say **legacy infrastructure** is a significant barrier to business agility and the ability to optimize CX/EX efficiency.

There are many good reasons for organizations to migrate their apps and infrastructure to the cloud. They gain flexibility because they can scale their resources to match demand, they stand to save money on investments in hardware and physical infrastructure, and cloud offers a high level of reliability and availability.

All of these benefits are combined with strong security, which is the number-one consideration for organizations moving to the cloud.

Collaborative working and the modern contact center

Importantly, cloud enables collaborative working and supports the hybrid working model. This is ideal for a modern contact center, where agents need to work remotely without being any less efficient and organizations need to interact with their customers across multiple channels while offering relevant responses through a unified system.

This is why 95% of organizations agree (47% very strongly) that cloud solutions are vital in enabling CX and EX outcomes. They see cloud technology as their number-one enabler in terms of its positive impact on CX in the future.



Access to innovation

Cloud is also about gaining access to innovation. Most AI engines are based in the cloud, so organizations that want to apply AI to improve their CX will need to migrate to the cloud or at least integrate with cloud services.

The cloud also allows organizations to launch proof-of-concept or pilot projects faster, easier and more affordably as they embrace innovation. They no longer need to buy new licenses or integrate services that may not even work, and can validate return-on-investment calculations without long-term commitments.

But, as with any other cloud strategy, organizations may suffer from a lack of expertise in this area, which means they need help from an experienced managed service provider in the form of contact center as a service (CCaaS).

Contact center as a service

On the one hand, organizations have to manage the contact center and its internal, organizational requirements; on the other, they have customers who want to interact in multiple ways that should be handled in a unified manner. Here, CCaaS is an effective cloud-based solution, as it delivers cost benefits and simplicity by making many traditional contact-center infrastructure decisions redundant.

CCaaS underpins most of the trends in CX to facilitate seamless communication and collaboration across contact-center teams, whether they are office-based or working from new locations.

A CCaaS environment offers advanced data and analytics, and organizations can improve productivity because they gain more visibility into operations and costs (per email or chat message, for example) as well as the time and effort spent by agents on specific interactions in an omnichannel environment. It's a far cry from the days when organizations kept only basic records of incoming phone calls.

Effect of cloud technologies on CX/EX business efforts

Organizations say the top impact of cloud on CX is the ability to test new ideas and functionality. The top outcome for EX is improved productivity (better collaboration and communication).

Effects on CX



- 1 Ability to test new ideas and functionality (trial without need for IT support)
- 2 Improved integration (ie access to a single, integrated customer platform)
- 3 Improved customization (user convenience)
- 4 Future-proofs our technology infrastructure
- 5 Enables higher automation

Effects on EX



- 1 Improved productivity – better collaboration and communication
- 2 Improved security/legal compliance
- 3 Enabled workforce flexibility (hybrid model)
- 4 Improved integration (ie access to a single integrated customer platform)
- 5 Ability to test out new ideas/functionality (trial without need for IT support)

How, if at all, has the use of cloud technologies affected your CX and EX business efforts? (Select all that apply)

Base: All respondents (n=1,442)

Cloud migration lays the foundation for advances in CX and EX

The great migration to the cloud gives organizations a range of CX- and EX-related advantages:

- As in many other business areas, cloud supports innovation by making it faster and simpler for organizations to test and deploy new CX and EX software features and updates. In our research, this is organizations' top-rated impact of cloud on CX.
- They can do business with their customers anytime, anywhere, as cloud infrastructure makes it possible to provide round-the-clock access to their applications, websites and customer-support channels.

- From the employees' perspective, integrated cloud-based collaboration platforms help teams work together more efficiently, no matter where they are located, and securely (security and legal compliance is one of the top five impacts of the cloud on EX). This boosts productivity – the highest-ranked effect of cloud on EX.
- Cloud platforms provide scalability and flexibility, which means organizations can adapt faster to changing customer demands and scale their resources up or down based on customer needs – a valuable trait during peak periods.
- Analyzing large volumes of customer data with cloud-based analytics tools can give organizations deep insights into their customers' preferences and behavior, leading the way to a hyperpersonalized CX strategy. Data-driven insights can help them customize their CX offerings much faster than before, which is rated as one of the top five impacts of the cloud on CX.
- The cloud supports an omnichannel approach, where customers interact seamlessly with the organization through multiple communications channels.

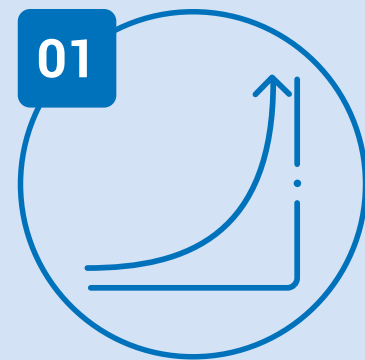
Making cloud migration easy

In the CX environment, there are some challenges related to cloud migration. Chief among these are security considerations about customer data that will be held in the cloud. This is followed by the need to coordinate cloud migration with other, non-CX workloads. Other concerns are the operational complexity that is inherent in running multiple platforms, and dealing with multiple service partners.

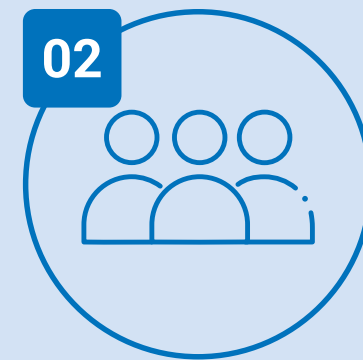


Security is the #1 consideration for organizations when moving to the cloud

Top 6 challenges to organizations' move to the cloud



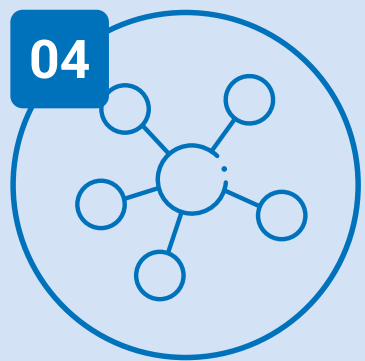
Security concerns about customer data held in the cloud



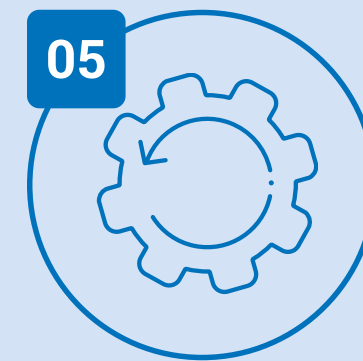
We need to wait to coordinate cloud migration with other (non-CX) workloads



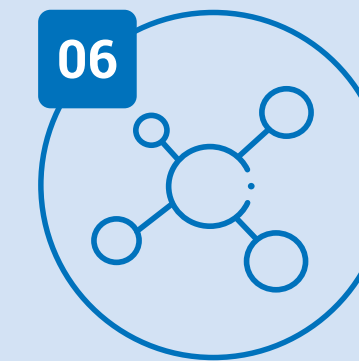
Operational complexity of running multiple platforms



Getting multiple service providers/partners working together



Differentiating brand via superior CX



Network performance and/or availability

Simply replicating the current contact center in the cloud won't unlock all the benefits that cloud platforms offer. Embarking on a cloud migration also does not imply that everything an organization does in CX is cloud-ready or can be run cloud-native. Also, once contact-center functionality is in the cloud and much more software-driven, it requires new kinds of expertise that may not be available in-house.

Therefore, organizations are likely to need the assistance of a managed service provider to help migrate a range of applications to the cloud and manage and optimize those applications as a service.

Using third-party partners and service providers can introduce its own challenges, however, as it can be hard to get all of these partners and providers to work together harmoniously in a cloud environment.

Also, it's one thing to say that great CX delivered from the cloud will lead to a differentiated brand in the market, but the reality is that organizations include this as one of their top six challenges associated with cloud migration.

And, of course, the effectiveness of cloud computing very much depends on the quality of an organization's network, which needs to be high-performing and always available. Here, again, working with an MSP with expertise in more business areas than just CX or EX can be of help.

Simply replicating the current contact center in the cloud won't unlock all the benefits that cloud platforms offer.



AI, RPA, automation and analytics

Digitalization takes a leap forward as AI and RPA surpass expectations, resulting in improved customer experiences – and driving organizations to embrace these technologies.



77% of top performers say that AI is **meeting or exceeding expectations** for delivering CX results; **86%** say the same about RPA.



AI, machine learning and bots are ranked as the **#1** enabler that will **reshape EX as well as CX capabilities** in the next 3 years.

Even before AI-infused technologies debuted in the world of CX, there was already RPA.

Cut to the present day and both technologies are in play: 77% of top-performing organizations say that AI is meeting or exceeding their expectations in delivering CX results, while 86% say the same about RPA.

What is RPA?

This technology uses software bots to automate repetitive and rule-based tasks that are usually performed by humans. These bots can interact with other computer systems and applications to enter or extract data, fill out forms, perform calculations and more. RPA streamlines business processes, freeing up human workers to focus on higher-value activities.

How does RPA relate to modern CX?

Early RPA processes were fully scripted and preprogrammed. These processes tended to be for simple tasks and requests, like providing information on an account balance or order status.

RPA can also, for example, improve accuracy rates in completing forms. An agent for a government housing-benefits organization might fill out a form with a customer's details manually, but if the agent made a data-entry error, it could keep government support from reaching the customer. RPA can automatically strip details from scanned documents and populate a database with such details faster and more accurately.

Applying AI to RPA for more complex processes

Now, AI can also be applied to these processes to make them more efficient. Processes originally set up as RPA are increasingly being infused with AI (hyperautomation, for example) or replaced by AI tools altogether.



What is artificial intelligence (AI)?

AI is a broad field of study that focuses on programming machines to learn and solve problems like humans. It involves systems that can perceive their environment, reason and make decisions (for example, based on machine learning) to varying degrees. Many existing types of AI are focused on specific tasks – think speech recognition, the intelligent automation of repetitive or mundane tasks in contact centers, or virtual personal assistants like Apple’s Siri. Other types are eventually meant to replicate human-like cognitive abilities, although this is still a significant challenge.

For example, an organization may deploy an AI tool to analyze a customer’s call or question received by email, through a chatbot or on a phone call in real time. It would then try to find the best answer in the organization’s knowledge base and present it to the agent through RPA.

The agent can then choose to accept the answer and share it with the customer. Another RPA process can add an AI-generated summary of the call transcript to the organization’s CRM system and prefill any relevant CRM checkboxes. When the customer makes contact again at a later stage, the agent will already have access to the summary of the previous question and answer.

The organization can also ask the AI to monitor quality and compliance – for example, whether the agent asked certain questions and followed standards such as using formal language and addressing the customer in the right way.

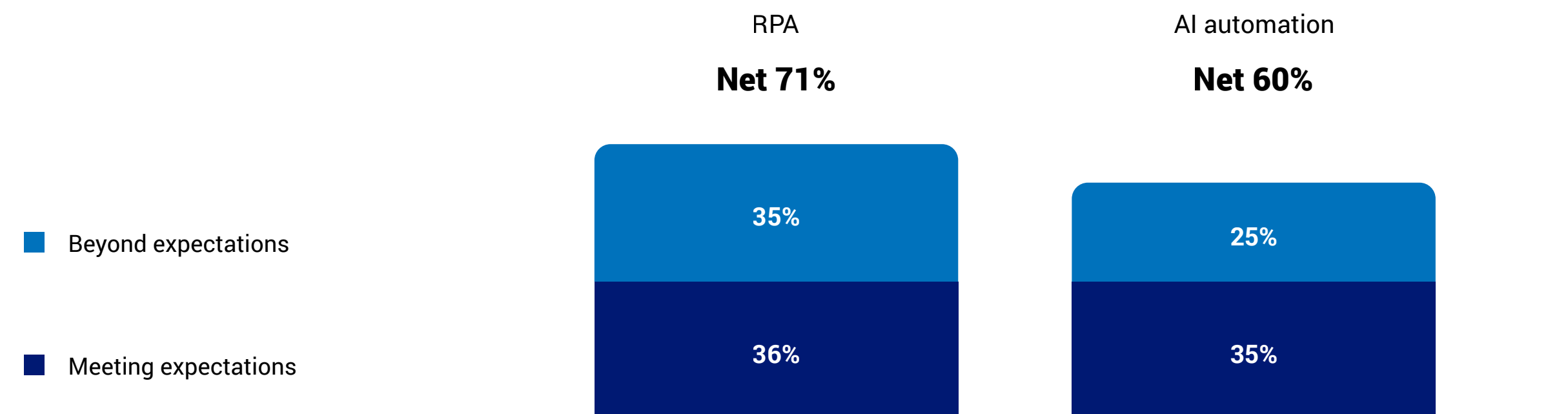
In this way, the combination of AI and RPA saves the agent time and supports better CX because the addition of AI moves RPA beyond simple rule-based automation. RPA bots can now take on more complex tasks that may require cognitive abilities, such as natural language processing, sentiment analysis or image recognition. It also widens the scope for extracting information from unstructured data sources such as documents, emails or PDFs.

Also, RPA systems infused with AI can not only analyze data but also make intelligent decisions based on data patterns and predict outcomes, supporting more informed decision-making, while AI-powered RPA bots can handle exceptions and errors more effectively.

RPA and AI are delivering results

RPA and AI automation solutions are meeting expectations and driving CX transformation

Organizations witness a high level of success with these solutions, as they lead to improved customer satisfaction, operational efficiency and productivity. 71% say robotics solutions are meeting or exceeding expectations; 60% say the same about AI automation solutions. 2023 results follow a similar trend to those seen in 2021.



Are robotics and AI automation solutions for CX delivering the expected results? (Select one for each)

Base: All GROUP 2 – CX and GROUP 4 – IT respondents, excluding "Don't know" responses (n=1,172/1,181)



Unleashing the power of AI: improved efficiency, enhanced CX, empowered EX

Organizations embrace the transformative potential of AI automation, as it delivers many benefits, including improvements to:



Nearly 71% of organizations report that robotic solutions are meeting or exceeding their expectations and improving their CX, operational efficiency and productivity, while 60% state the same about the slightly less mature AI automation solutions.

In particular, regarding the use of AI:

- 38% report improved efficiency (for example, through the automation of core business processes)
- 34% say they have improved their CX
- 31% report better EX (for example, due to the automation of mundane tasks)

While AI may have more obvious use cases in CX than in EX at present, it can also be used, for example, to understand how employees interact with each other. When one employee is struggling with a task, it can proactively suggest other staff members who have the expertise to assist, or even send an automated query to those staff members.



Top benefits of AI use, by business area

The key benefits of AI to operational CX teams are improved EX, CX and business insights. HR leaders see the benefits as being efficiency, speed and improved compliance/process adherence.

Top benefits of AI by business area	CEO	COO/CCO /CXO/CSO	CIO/CTO	CHRO	CDO	CMO
Improved efficiency	1	4 ↓	1 ↔	1 ↔	1 ↔	2 ↓
Improved customer experience	2	2 ↔	2 ↔	4 ↓	2 ↔	3 ↓
Business insights	3	3 ↔	3 ↔	5 ↓	8 ↓	1 ↑
Improved employee experience	4	1 ↑	5 ↓	6 ↓	3 ↑	5 ↓
Increased speed of contact resolution	5	6 ↓	4 ↑	2 ↑	10 ↓	4 ↑
Improved compliance/process adherence	6	5 ↑	8 ↓	3 ↑	6 ↔	7 ↓

80% of operations managers say AI and automation are making a significant impact on removing drudgery from agent interactions. The majority say digital contact channels mostly offer the same and/or better CX than human-led interactions.

Customer trust in AI is rising

These gains are made in an environment where customers are increasingly familiar with AI, which means they have more trust in this transformative technology.

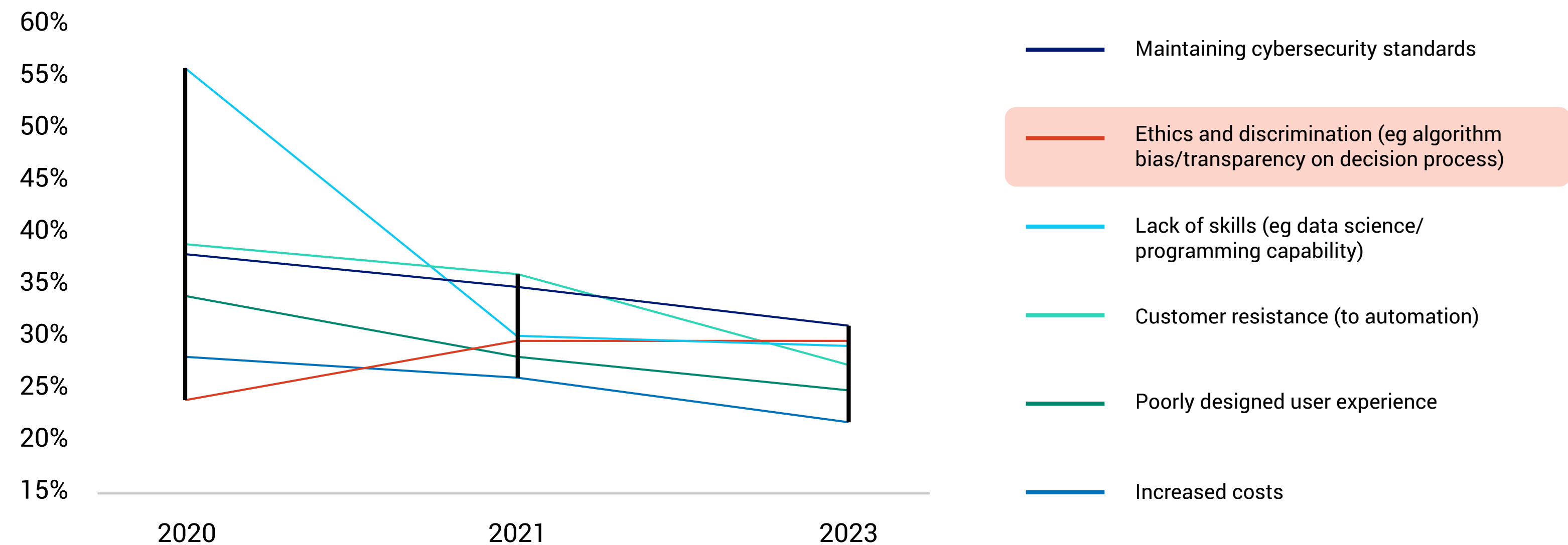
Our research shows that since 2020, there have been drops in customer resistance to automation, while the design of user experiences in this area has improved.

However, there has been a small increase in AI-related ethics and discrimination concerns – understandable at a time when these concerns are being discussed by governments the world over as powerful AI tools like ChatGPT rise in popularity.



Embracing the AI revolution as consumer trust grows

As consumers increasingly embrace the reality of AI, trust in this transformative technology continues to strengthen year by year. However, concerns about ethics and discrimination are increasing.



What, if any, trust and/or confidence issues affect your usage of AI automation? (Select all that apply)

Base: All respondents (n=1,442)

Nearly every organization expects to be using some form of AI for CX by 2026, and our research shows clear gains in the use of voice-activated interfaces (conversational AI), virtual assistants, virtual and augmented reality, hyperautomation and machine learning since 2021.

There are also increases across the board in organizations that don't yet use these tools but plan to do so in the next year. In addition, many of those who said in 2021 that they would implement the technology within three years have done so already.

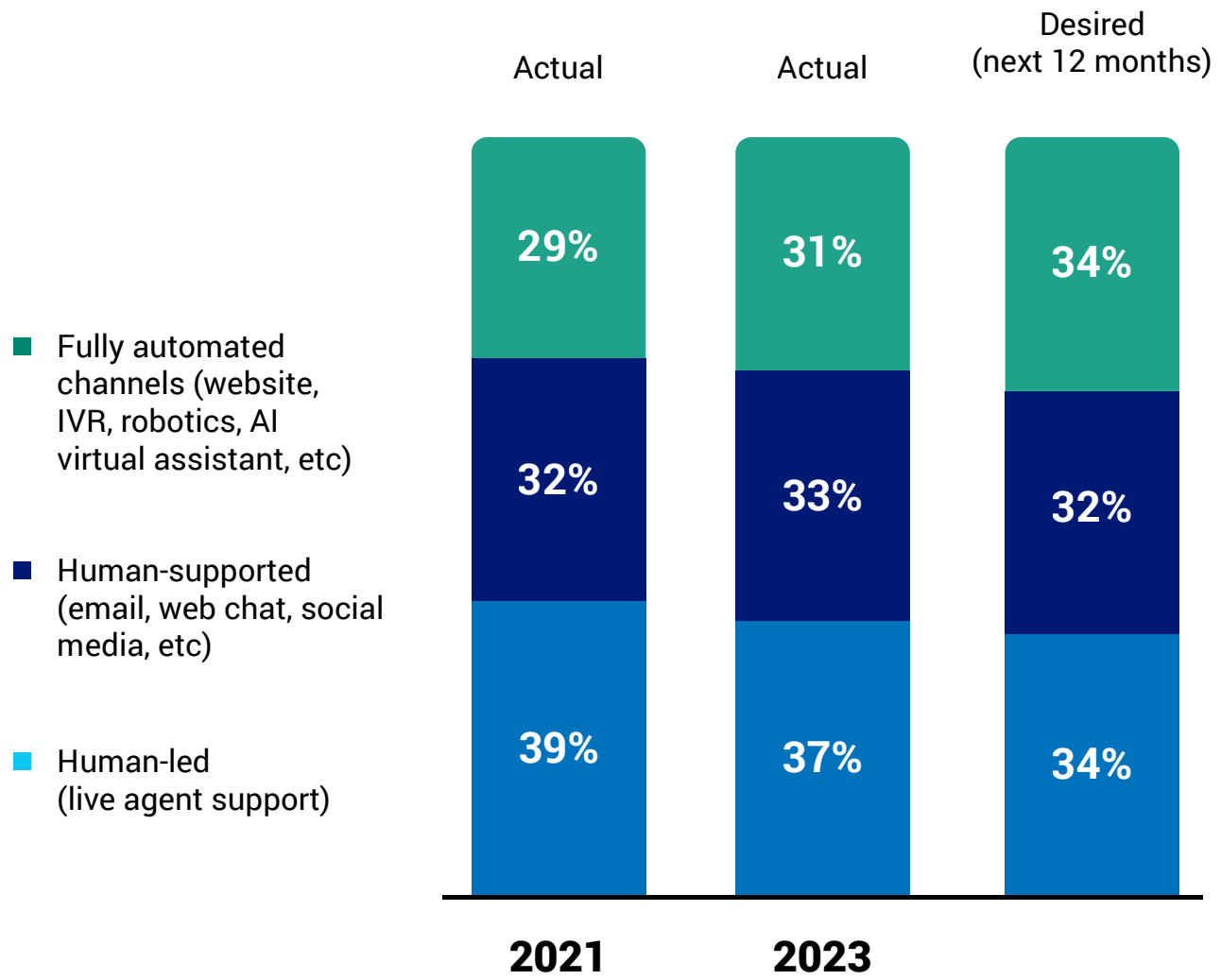


CX interaction channels and the tools they require

A split of desired interaction types indicates a symbiotic relationship between humans and technology-driven tools.

The use of modern automation (incl. voice) and AI will be the norm for 4 in 5 organizations within the next 12 months. Nearly every enterprise will be using some form of AI for CX by 2026.

Average % of CX interactions via each channel



What are your current and desired splits of CX interactions across the following channel groups?
Base: All GROUP 2 – CX and GROUP 4 – IT respondents, excluding DKs (n=975/959)

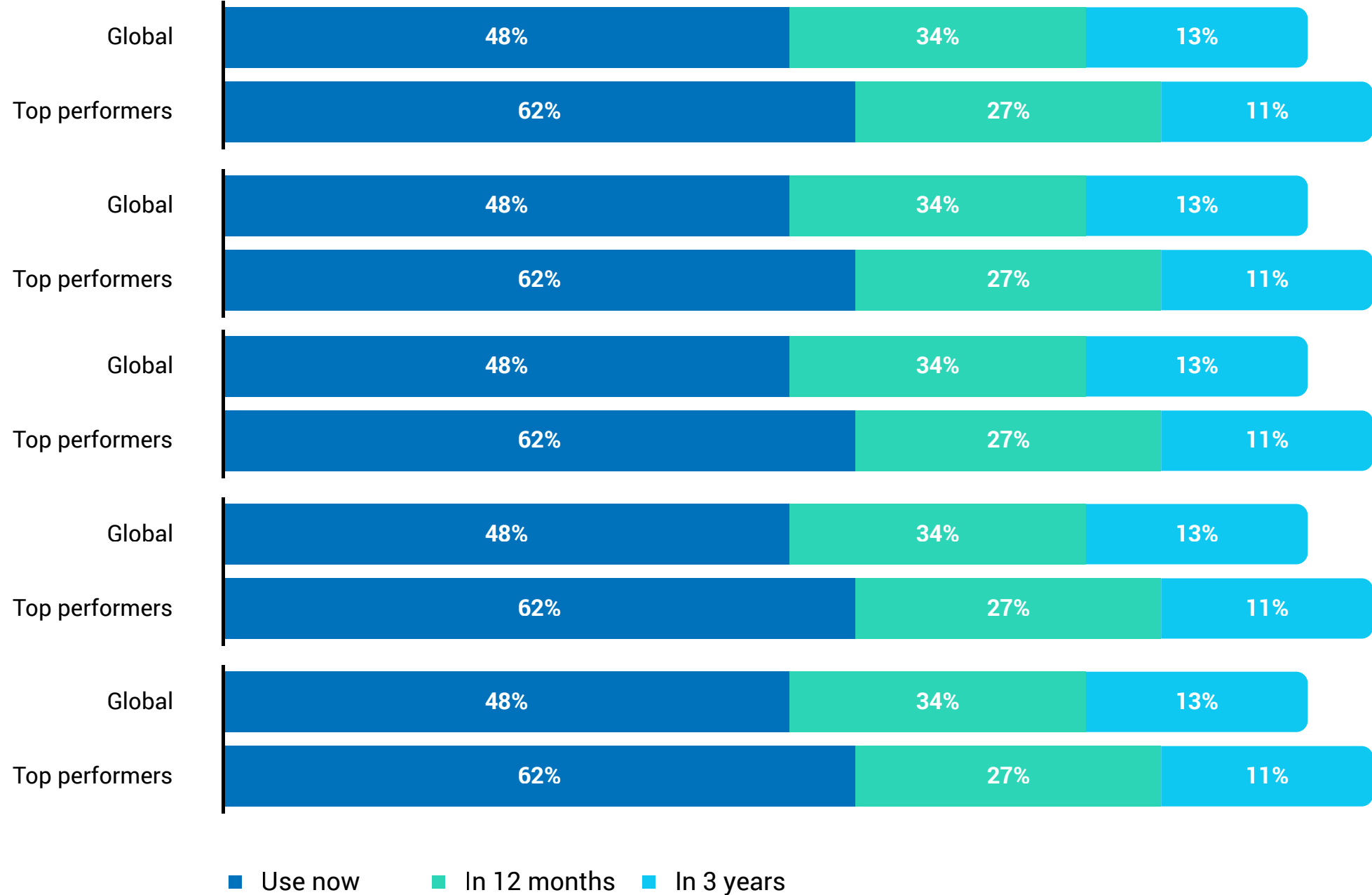
Voice-activated interfaces (e.g. conversational AI)

Virtual assistants/bots: AI- and ML-powered

Virtual/augmented reality

Hyperautomation

Machine learning (e.g., AI-powered technologies, predictive analytics, IoT, etc.)



What, if any, of the following automated CX solutions do you use now – and what do you plan to use in future?
Base: All GROUP 2 – CX and GROUP 4 – IT respondents, excluding DKs (n=1188-1203)



Customer interaction channels: a three-way split

At present, there is a reasonably even three-way split between human-supported CX tools or channels, live-agent support and fully automated channels in terms of the number of customer interactions via each of these.

This split isn't expected to change much in the next year, barring a small increase for fully automated channels and a slight drop in live-agent support.

How organizations use data-driven insights from AI

AI-infused solutions are game changers. In the CX context, AI is about understanding a customer's problems, finding the right solution and offering it to the customer (or first to an agent) on the customer's channel of choice, all in real time. For example:

- These technologies can give a contact-center agent the possible reasons for a customer's incoming call in advance, along with steps to resolve each scenario. And, as the organization determines how best to resolve a variety of known customer complaints, the technology can continually learn from contact-center data to fine-tune its probability calculations.
- AI speech recognition can detect what is being said in a conversation with a customer and present the agent with contextual information, documents or policies. This can be especially useful during and after training, or when new or updated policies and procedures are put in place. It flattens the learning curve for agents and contributes to their wellbeing, meaning they are more likely to stay in their jobs.
- AI also supports the goal of first-call resolution: customers don't want to deal with someone who's unskilled, lacking confidence or unable to access the correct information – and having to do so repeatedly is even worse.
- In terms of contact-center management, AI can identify operational workforce inefficiencies in real time by flagging employees who aren't busy with productive work. A manager can then contact these employees to see if they need any assistance. This can prove useful when an organization wants to reduce its headcount, for example, or cut the average resolution time for customer complaints – in a contact center, every second equates to revenue.
- AI is also a game changer in customer-journey analytics. Deeper insights into customer history and behavior – as well as predictions of customer behavior – are made accessible by AI tools that are fueled by the large volumes of data that organizations gather on their customers.
- With AI, it's becoming easier to apply all that customer data to deliver better CX. It can give the organization a head start by predicting which customers will call, when and about which subject.
- AI-driven predictive engagement can also help an organization determine the best time to reach out to a customer, based on the digital behavior record of that customer. For example, the customer might have a high propensity to buy based on their most recent activities in an online shop, or they might have shown interest but there's a risk of losing them to a competitor.



Getting full value from AI and chatbots

There is plenty of hype about how AI and chatbots can contribute to good CX.

Chatbots are useful when they are deployed in the right place as part of a customer journey – especially when combined with AI-driven logic in modern CX systems. Retail and financial services are two industries where chatbots are making inroads, because they can facilitate a variety of transactional engagements – checking an account balance, for example. They reduce the need to queue and can offer self-service options such as returning an order or querying data on a bank statement.

However, customers do not trust chatbots to resolve complex issues, so it remains crucial to provide an option to switch seamlessly to an assisted-service channel.

Also, organizations may believe their chatbots are doing an amazing job, but they don't have the data to prove it – or they may fail to see how the chatbots have made a difference. Some clients have even removed their chatbots, thinking they didn't add value, only to find that they had simply not understood their value.

So, before implementing these technologies, organizations must establish a baseline of their current CX environment and ensure they have the right tools and supporting data to understand changes in that environment once chatbots are added into the mix.

Chatbots can add plenty of value in well-defined use cases, and with close monitoring and correlation of data points. Without such checks and balances, it's hard to quantify their value down the line.

Another important factor to consider is the impact of chatbots on an organization's in-house IT team. They may not have anyone who can support the technology and therefore have to work with an external partner for services and support.

Also, chatbot technology needs ongoing management, including updating the organization's knowledge base and tweaking a chatbot accordingly so it can deliver what is needed as business needs change. It's not a one-off setup: AI relies on machine learning and needs continual fine-tuning and data feeds to keep delivering value.

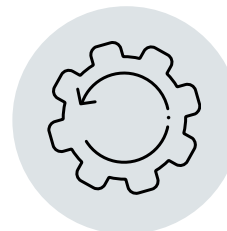
Chatbots are also part of a fast-developing category of technology in which many new products are aimed at meeting changing customer requirements. Another challenge for organizations is therefore staying abreast of the innovation in this category so they can keep gaining maximum value from their chatbots.

It's a mindset of ongoing skills management: IT skills for the initial chatbot implementation, as well as more business-orientated skills for the ongoing management and administration of these tools. In both cases, a managed service provider can provide all the support and training an organization needs.

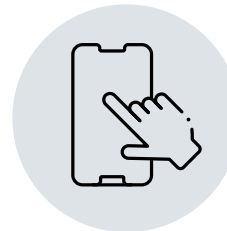
AI relies on machine learning and needs continual fine-tuning and data feeds to keep delivering value.

Analytics in CX

Data analytics and intelligence are imperative for performance insights and compliance optimization, yet challenges remain in data collection and interpretation.



95% agree that predictive analytics is critical to establish **performance insights** and anticipate **future operational needs**.



Over **90%** agree that quality monitoring and analytics tools are a high priority and integral to **compliance-focused workforce optimization tools**.

Successful CX is not just about having data, but also about what organizations do with it. They can't optimize their CX, gain a better understanding of their customers and know whether they are complying with regulations on data privacy if they don't know what's working – or not.

Top-performing organizations, for example, are 56% more likely than underperformers to appreciate the importance of data visualization tools in gaining a consolidated and informed view of their performance. They're also 24% more likely than other organizations to use big data analytics and 27% more likely to use customer analytics.

And, while more than 9 in 10 organizations agree that quality-monitoring and analytics tools are integral to compliance-focused workforce optimization tools, showing a return on investment can be difficult when organizations try to implement or manage these tools alone. The support of a managed service provider can prove valuable in reporting on and interrogating data in depth, leading to insights that can enable optimized customer interactions where AI tools may also be applied.



Because of continual improvements in the quality and depth of CX and contact-center analytics, there is no longer a need to rely on a supervisor's judgment of agent behavior; such insights are now delivered digitally. It's important, however, to choose the right analytics programs and build the right dashboards to match an organization's key business parameters.

Once organizations fully understand their CX environment and their customers, they can focus on more efficient customer engagement. A telecommunications provider, for example, might discover that parents are visiting their website because they need SIM cards for their children on a family plan. Now, with the help of AI-infused systems, when the parents return to the website they can immediately be given contextual information based on their previous visit – and, once a sales task is initiated, a human agent will already have all the data on their full customer journey.

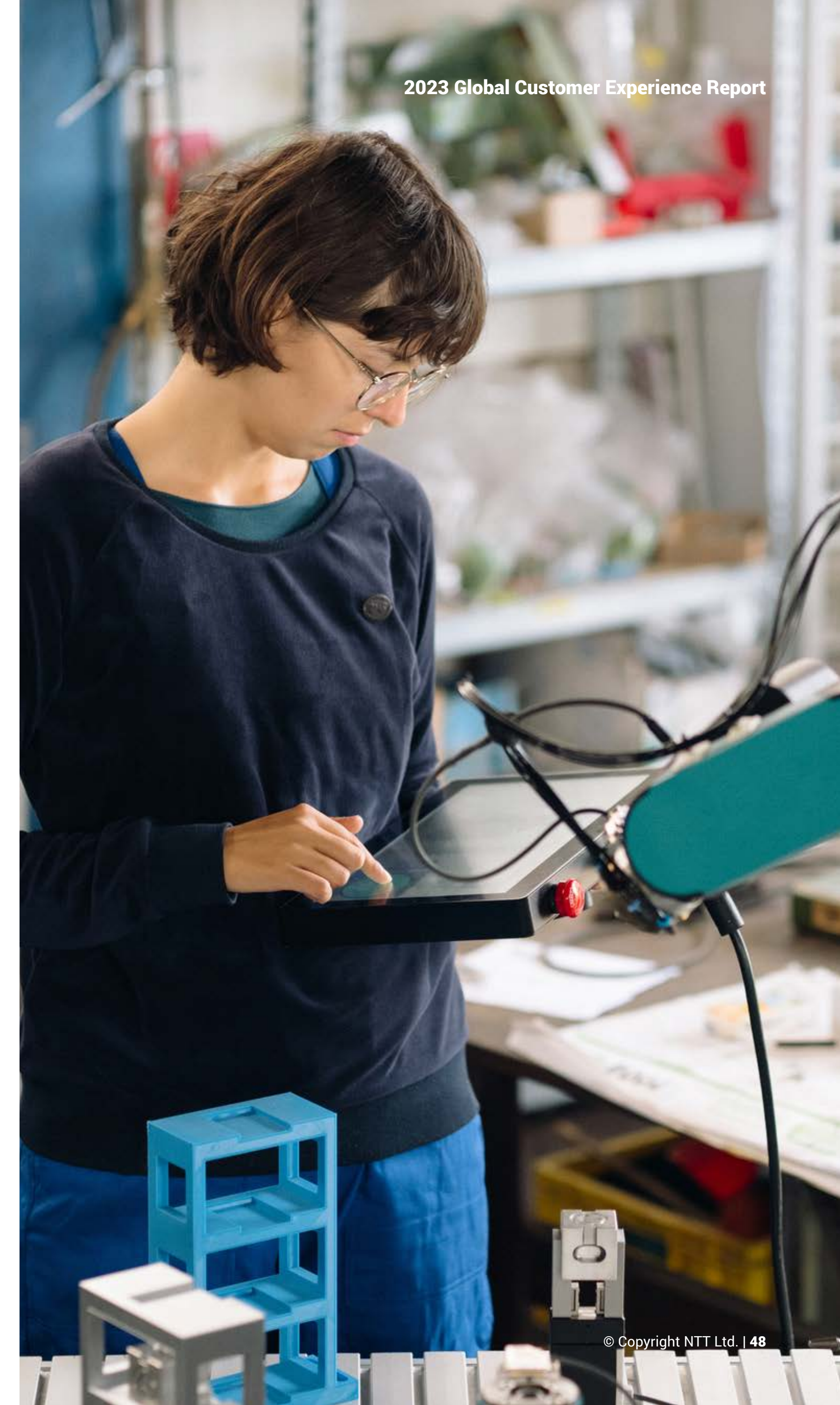
Analytics support the ability to tailor and add value to these customer journeys. How many times did the parents return to the website, and what did they do while they were there? At which stage did their activities lead to a sale?

Once organizations fully understand their CX environment and their customers, they can focus on more efficient customer engagement.

Taking it a step further, organizations can use predictive analytics to model customer interactions and engagements ahead of promotions and campaigns to see how various CX components might be affected. **Nearly all organizations (95%) agree that predictive analytics is critical in establishing performance insights and anticipating operational needs.**

They can also create a barometer for overall customer sentiment – for example, by monitoring social media channels for references to their products and services.

But again, to make the most of any form of analytics in a CX environment, organizations need the expertise to understand what's being presented – and working with a managed service provider can be the fastest and most efficient way of getting there.



Analytics in EX

Top-performing organizations are **37% more likely than others to use employee analytics to monitor productivity.**

In EX, the focus may be on metrics such as experience-level agreements (which focus on the perceived quality of services and support) and employee engagement, measured through surveys and other feedback mechanisms. Knowing where pockets of low engagement exist enables an organization to address the issue proactively.

Surveys and similar tools can also be used to measure employees' satisfaction with aspects such as their work environment, their compensation and benefits, their work-life balance and their career development.

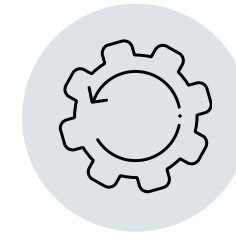
Employee engagement and satisfaction data can be combined with employee Net Promoter Scores, which relate to loyalty and advocacy, to paint a more complete picture of EX success in an organization.

Once the data is combined with figures tracking staff retention and turnover, it can be used to shape employment policies and expose issues such as poor management or a lack of growth opportunities.

Organizations that invest in learning and development programs for their employees can also measure training hours, participation rates, career progressions and more, to ensure the learning opportunities remain relevant and that staff are engaging with these programs.

The value of connected customer journeys

Customer-journey mapping allows organizations to understand and optimize the end-to-end customer experience. Yet, many struggle with consistency, collaboration and turning data into insight.



Only **46%** strongly agree that **CX delivery is consistent and defined** across all customer journeys (up from 41% in 2021).



Just 43% say that their business units **collaborate fully to define and design customer experiences** (up from 39% in 2021), and **96%** want to better understand how **CX user journeys impact customer loyalty**.

Contact centers used to rely on post-interaction surveys – at the end of a call or via email, for example – to ask for customers' feedback on the interaction. But few customers would take the time to share their insights, and the skewed data did not lead to a true understanding of the customer.

To identify key themes across all interactions, organizations need to start mining every touchpoint – voice or digital – for data in real time or near real time. This creates a clear and current view of points or themes of customer dissatisfaction. AI can be used to collate these themes and present them to the organization so they can make instant enhancements to their products, services and processes.

In the pursuit of better CX, organizations don't always follow all the steps in crafting and implementing comprehensive customer journey designs.

They may lack enough analytics data and direct customer feedback, they may be held back by limited systems integrations between departments and communications channels, or their CX staff may not be skilled enough to map their current and future customer journeys in detail, which can massively improve both CX and EX efficiency.

When these elements are addressed, they stand to gain a deeper understanding of their customer journeys and pain points along the way, and the key topics that feature frequently in their customer interactions.



Collaborating in customer-journey design

Organizations rank real-time customer feedback that drives tailored CX as one of the top six benefits they gain from a strategy to design their customer journeys. Other benefits include increasing their competitiveness and their ability to acquire and retain customers.

Mapping customer journeys should always involve other parts of organizations beyond the contact center, but just 44% of organizations say that their business units collaborate fully to define and design customer experiences (up from 39% in 2021).

Surprisingly, **only 59% of organizations are measuring customer effort**, which means there is plenty of room for improvement in this regard.

Challenges to optimizing customer journeys

01

Lack of data (inability to gain insight from trusted analytics data)

02

Lack of direct customer feedback (VoC, survey responses, etc.)

03

Limited system integration across channels

04

Agent capabilities (incl. knowledge and empowerment)

05

Silo management (limited interdepartmental collaboration)

06

Lack of automation (eg tracking system)



Optimizing customer journeys

Once organizations have mapped their desired future journey, they need to find the most efficient way of tracking and measuring their efforts.

Customer-journey-management software can measure, monitor and orchestrate customer journeys by bringing together all the data on customer interactions across platforms and contact channels. With enough data and AI-driven support, the organization can then determine whether these customer journeys are streamlined and efficient or whether they need to be optimized.

At present, organizations in our survey cite a lack of data as their biggest challenge in optimizing their customer journeys. This means they may be missing out on valuable and actionable insights: for example, customers on WhatsApp may be less happy with the service they receive than those using a chatbot, or certain channels may have a particularly high drop-off rate that the organization needs to investigate and address.

They may also be held back by a lack of direct customer feedback through survey responses, for example – organizations' second most pressing challenge in this context – or a lack of system integration across channels.

Also, organizations may aim to digitalize more of their CX strategy and lower the cost of operating a range of contact channels. But this can only be an effective move if they have used the data and customer feedback at their disposal to determine the most appropriate channel for each customer interaction or persona. Not thinking about full customer journeys in this way will just lead to frustrations and inefficiencies, and some customer interactions may even end up costing an organization more.

Organizations' other concerns in designing customer journeys include contact-center agents not having the necessary capabilities, limited collaboration between departments, and a lack of automation to save time and money while freeing up CX employees to optimize customer journeys.

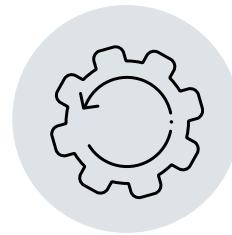
The next level of design involves creating individualized customer personas that match the full customer journey, as opposed to individual transactions or interactions, and adapting tailored CX to support these personas. However, trying to develop the right number of personas while keeping it simple and operationally efficient can be tricky, and this is where access to a managed service provider's expertise can be useful.

Organizations' other concerns in designing customer journeys include contact-center agents not having the necessary capabilities, limited collaboration between departments, and a lack of automation to save time and money while freeing up CX employees to optimize customer journeys.



Deepening hyperpersonalization

Machines will provide the natural development toward a customized and personal user experience.



97% of top performers say demand for **personalized CX** is driving the rapid **integration of touchpoints** that unite real-time customer data with AI and analytics.



Improved personalization is the **#1** outcome achieved by top performers from investments in RPA.

Customers want an effortless, first-time solution from someone who can connect with them emotionally based on the purpose of their engagement with an organization. Technological advances now give organizations the ability to hyperpersonalize CX in real time and at scale to create emotions in key moments of interaction. They can use all their in-house customer information and combine it with external and experiential data to facilitate an emotional connection with customers, thereby increasing brand loyalty.

In fact, **improved personalization is rated as the number-one outcome achieved by top-performing organizations as a result of their investments in RPA.**

Understand and anticipate customer needs

Traditional personalization was limited to data points such as a customer's name, location and purchase history. Hyperpersonalization takes more advanced analytics into account to fully understand and anticipate the customer's needs at any given moment, based on real-time behavioral data such as their browsing and buying practices, and analyses of their phone calls or chats. It goes beyond traditional customer segmentation models by taking into account behaviors, sentiment and customers' ever-changing needs and expectations.

Now, 95% of organizations agree that demand for personalized CX is driving the rapid integration of touchpoints that unite real-time customer data with AI and analytics.

An example of hyperpersonalization in action is Netflix, which adapts the display covers of films and series on its app according to consumers' preferences and behavioral patterns to raise engagement and brand loyalty. So, a viewer who has watched several films starring Uma Thurman would see a Pulp Fiction cover image featuring Uma Thurman, while other viewers may see a different cover with another actor from the film.

Intelligent integration

To enable hyperpersonalization, organizations need intelligent integration between their contact-center and CRM systems, so that the latter can provide as much information about the customer as possible as a first step. AI and machine learning can then step in to combine the CRM data with real-time behavioral insights.

The data can also be used, for example, to connect a customer with the most appropriate contact-center agent or another employee who will create chemistry, although this level of integration isn't always in place at all organizations.

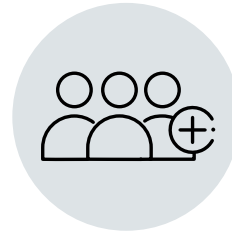


Security: an all-important requirement

As businesses prioritize the delicate balance between cybersecurity and technology advancement, the pursuit of robust security measures remains paramount to protect sensitive information.



Only 46% agree strongly that their current **cybersecurity controls** are effective in **protecting and enabling their employees** wherever they work



Top performers are nearly **3x** more likely than underperformers to **fully involve their CISO or cybersecurity team** in decisions about CX and EX technology solutions.

Cybersecurity is now a central part of any organization's technology strategy as cyberthreats increase in volume and intensity around the world. Hybrid and remote working have introduced new security risks: the way employees access applications and data requires new security approaches, such as zero trust, even as the ongoing migration to the cloud delivers improved and continually updated cybersecurity.

Unsurprisingly, **94% of organizations agree that hybrid working has led to them investing more in data protection and security.**

Cybersecurity plays a key role in protecting customer data and complying with data protection regulations, such as the European Union's General Data Protection Regulation, while securing online transactions in ways that comply with payment-industry protocols. Customers should know their sensitive personal and financial information is safe during their interactions with an organization.

So, organizations' mobile applications – including those used in CX and EX – need to have robust security and threat-detection mechanisms in place to prevent malicious access, along with incident response plans in the event of cybersecurity breaches. This includes offering secure user authentication for customers to prevent unauthorized access to their accounts, and educating customers about security threats such as phishing attacks or impersonation scams.

All employees need to be trained to handle customer data securely – which is especially pertinent in a contact center – and recognize potential threats.

Also, in terms of EX, sensitive employee information must always be protected. **Yet, only 49% of organizations strongly agree that their current cybersecurity controls are effective in protecting and enabling their employees wherever they are working.**

Customers should know their sensitive personal and financial information is safe during their interactions with an organization.



How CX and EX strategies can support sustainability goals

Enterprises are integrating sustainable practices into CX and EX strategies to align with evolving customer and employee expectations.

84% of operational managers say sustainability and environmental, social and governance (ESG) issues are important considerations for employees, and a factor that impacts the organization's ability to attract and retain staff.



Top performers are almost **2x** more likely than underperformers to strongly consider **sustainability** when building **physical workspaces** (such as "green" design and practices, adherence to the WELL Building Standard).



93% of organizations require their new **vendors** to adhere to prescribed **sustainability credentials**.

Nearly all organizations (95%) agree that a sustainable workplace and the adoption of ESG strategies help them attract and retain talent, and 93% now view workplace design as a key pillar of their sustainability strategy. Also, 94% are educating their employees about sustainability to ensure their buy-in.

To align with evolving customer and employee expectations, organizations are integrating sustainable practices into CX and EX strategies. For example, moving physical infrastructure such as their contact center to the cloud, rather than operating an on-premises contact center, can lead to energy savings.

Also, using less office space as a result of more employees working remotely full- or part-time creates further opportunities to save on water and energy usage, and can help reduce an organization's carbon footprint because of the much-reduced commuting requirements. At the same time, hybrid working should not lead to double consumption, such as heating an empty contact center while staff are working from their heated homes, for example.

From an employee and workplace design perspective, workplace sustainability also includes managing a remote workforce. CX tools can support this through, for example, speech analytics tools that allow organizations to manage remote agents and flag keywords and problematic calls to supervisors, who can then take over. Other tools can check the quality of a remote agent's internet connection to ensure it will support voice quality.

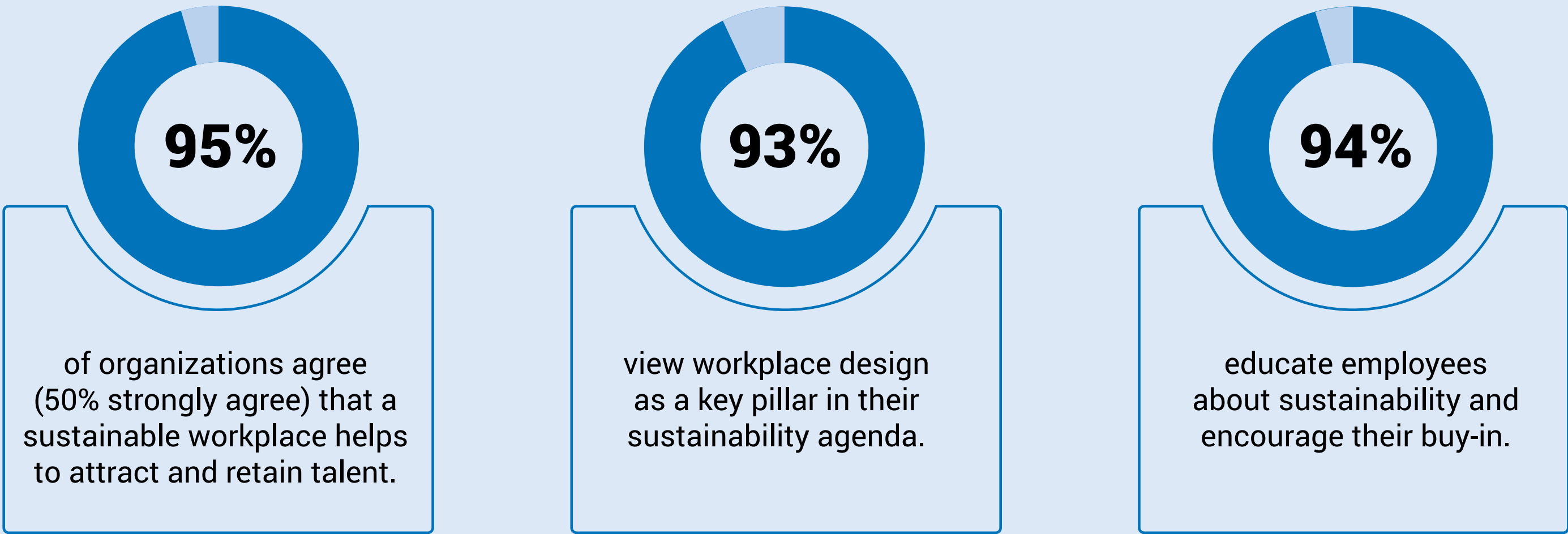
93% of organizations require their new vendors to adhere to prescribed sustainability credentials.





Sustainability initiatives gain and retain employees

Sustainability and ESG play a key role in how organizations are reshaping their workspaces and actively engaging their workforce in achieving these goals.



Top performers rank sustainability and ESG as their #1 business priority.



Top-performing organizations are more than twice as likely as underperformers to agree strongly that workplace design is a key pillar in their sustainability agenda. They're also almost twice as likely as underperformers to strongly consider sustainability when they are building physical workspaces (for example, by following ecofriendly design practices).

Section 5

How organizations manage and buy CX products and services

← Previous
How CX is being transformed

Next
How CX will be delivered →



How organizations manage and buy CX products and services

Final decisions on technology solutions and partner selection now extend beyond IT

Most organizations work with a third party to manage their **CX and EX infrastructures.**

9 in 10

say the pandemic and other macroeconomic factors have forced in-house IT teams to focus on core business activities. Complex CX/EX workloads are increasingly outsourced.

Top 3

factors in selecting a partner

1. Leading innovation/strategic vision
2. Enhanced cybersecurity
3. Improved service delivery

Top 3



factors in assessing ROI in CX

1. Improved customer retention/loyalty
2. Improved user experience
3. Improved customer satisfaction

Top 3



factors in assessing ROI in EX

1. Improved productivity
2. Improved employee satisfaction
3. Impact on business agility, flexibility and speed





At NTT, our teams have seen an increase in requests from clients who want to deal with their EX and CX needs in an aligned way.

This experience is backed up by our research, which shows that **most organizations now work with a third party to manage their complex CX and EX infrastructures.**

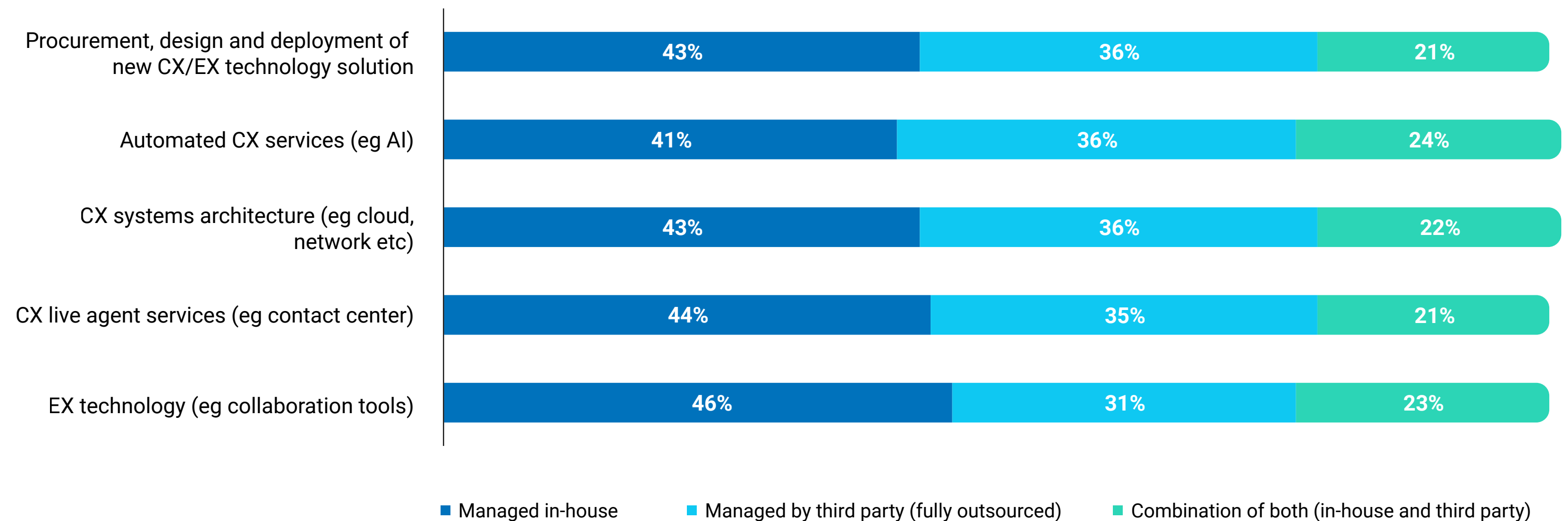
Why is this?

Almost 9 in 10 say that the COVID-19 pandemic and other macroeconomic factors have forced their in-house IT teams to focus on core business activities. About 45% of organizations have the in-house capacity to manage CX and EX procurement, design and deployment; automated CX services; CX systems architecture; live CX agent services (such as the contact center); and EX technology like communication and collaboration tools.

About 35% have fully outsourced these functions, and just over 20% rely on a combination of in-house resources and a third party.

Most organizations work with a third party to manage their CX and EX infrastructures

Just over 1 in 3 will outsource entire elements of their CX and EX infrastructures (including the contact center). Nearly one-quarter prefer a combination of third-party and in-house management.



How is your CX and EX infrastructure currently managed? (Select one for each)

Base: All respondents, excluding DK/NAAs (n=1,393 to 1,406)



The value of a managed service provider

In their quest for fully aligned CX and EX solutions, such as UCaaS, organizations may find they need different skill sets to manage multiple vendors, which can be expensive. They could also be held back by a lack of integration between products. Working with a single MSP that has proven experience in integrating tools and vendors can help to overcome these hurdles and get them to the point where they see improvements in their CX and EX.

Once an organization starts working with a third party to help manage their CX and EX, the **desired CX outcomes when assessing return on investment are improved customer retention and loyalty, a better user experience and higher levels of customer satisfaction. In EX, improved productivity and employee satisfaction, as well as a measurable impact on business agility, flexibility and speed, will be paramount.**

What is UCaaS?

Unified communications as a service (UCaaS) is a cloud-based delivery model that makes a comprehensive set of communication and collaboration applications and services available to organizations. It can bring together a range of communication tools, such as voice calling, videoconferencing and instant messaging, into a single unified platform.

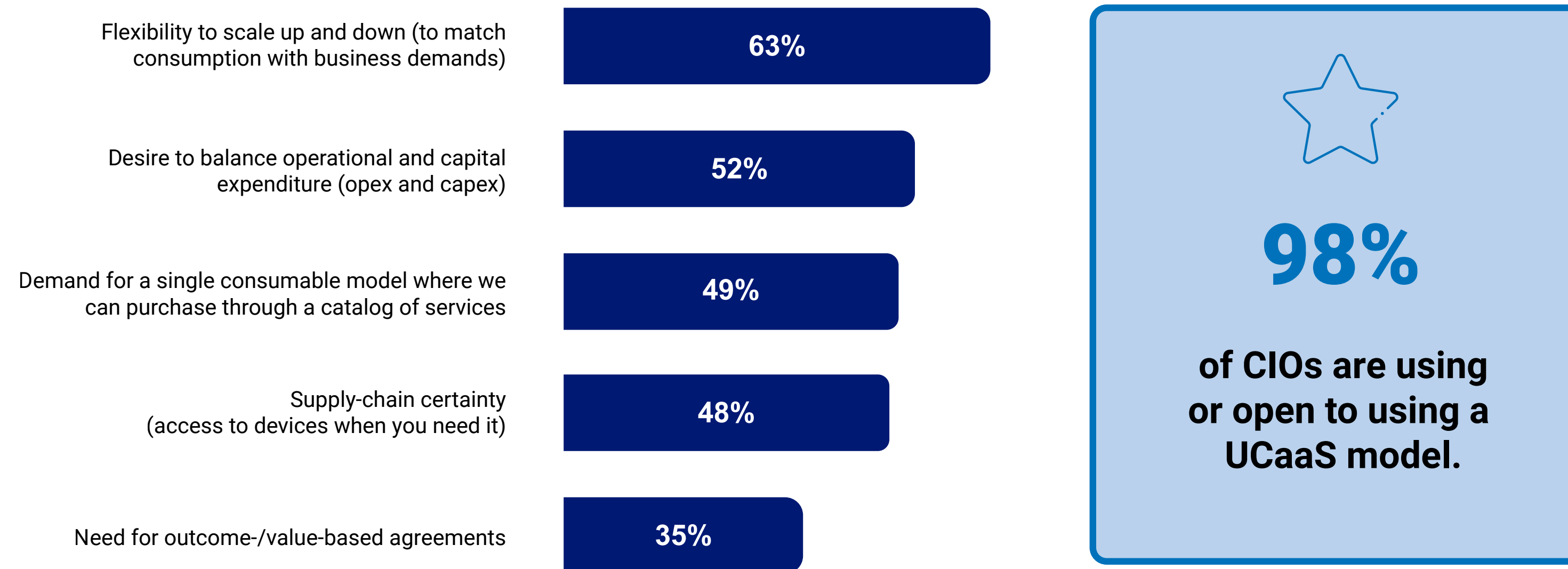
Because UCaaS is delivered over the internet, as a service, organizations can do away with on-premises infrastructure and focus on their core business operations. It's also highly scalable to match changing business needs, can lead to cost savings as organizations pay only for the services they use, and can be integrated with other business applications such as CRM or project management systems.

And, as with other managed services, the service provider takes responsibility for system updates and maintenance, giving organizations constant access to new features and upgraded security.



Top 5 reasons to consider a UCaaS model

Flexibility and improved cost efficiency are top drivers for considering a UCaaS model, ideally provisioned via a single provider that can offer a catalog of services.



What are the top three things that would encourage your organization to consider a unified-communications-as-a-service (UCaaS) model? (Select up to three)

Base: All GROUP 4 – IT respondents (n=422)

A managed service provider can facilitate the migration of an organization’s CX capabilities to the cloud and integrate new technologies such as AI and automation, all in close alignment with the organization’s overall business goals. This level of ongoing CX innovation supports better customer service, which in turn raises customer satisfaction and keeps customers loyal.

Similarly, a good MSP should contribute considerable expertise in EX tools and strategies, advise the organization on how to measure EX improvements, and create actionable insights for the C-suite.



Streamlining multivendor management for seamless CX/EX solutions

Organizations consider the lack of integration between different products, as well as the skills required for managing multiple vendors, as key challenges. Overcoming these obstacles is essential for organizations to optimize their technology ecosystem and ensure cohesive and efficient experiences for both customers and employees.

Top 3 challenges to managing multiple vendors

- 1 Limited integration between different vendor products
- 2 Availability of skilled resources to manage multiple vendors
- 3 Using multiple vendors is expensive

Making cloud work with the help of an expert partner

Few CIOs – except perhaps those in specific industries such as defense – would still consider installing an on-premises communications solution. In most instances, even these industries opt for purpose-built cloud platforms that support their specific requirements. Cloud-based communication is secure, scalable and affordable because organizations don't need to deploy their own infrastructure. And, compared to the big-ticket licenses of the past for siloed, on-premises systems, cloud-based CX and EX tools also tend to be more budget-friendly in terms of their flexibility to scale up and down and their month-to-month running costs.

Working with a managed service provider is advisable in several scenarios where cloud solutions are used for CX and EX, such as:

- **Switching to a single vendor**

Many organizations switch vendors when they migrate from on-premises CX infrastructure to the cloud. A cloud migration presents an opportunity to streamline old legacy systems, which have multiple integrations with other systems and vendors, into a single vendor and service provider. However, this can be a complex challenge for a CIO in a multinational organization who has little visibility of how employees in various countries are using the organization's on-premises applications or how these applications may have been tied into other systems.

- **Managing and configuring contact centers**

Traditional contact-center technology skills often focused on managing hosted technical components such as call recorders and data links. Now those technologies are provided in the cloud, and the required skills are changing from engineering to the management and configuration of systems – more along the lines of DevOps. It's no longer about building capabilities, but rather about configuring, tailoring and consuming capabilities.

- **Integrating contact centers with Microsoft Teams**

Microsoft Teams is one of the most prominent cloud-based CX and EX solutions gaining traction in the market. Organizations may find it easy to use Teams as a document-sharing and group communications platform, but the complexity increases rapidly when a contact-center integration is added into the mix.

For example, a customer might interact with a mobile app, then be routed by an intelligent bot to someone in a contact center who is working in Teams, with an integration into the organization's CRM system. There's a lot of complexity in getting these workflows up and running, connecting the tools and keeping them available.

In all these scenarios, a managed service provider's range of skills and experience can prove invaluable. Migrating an organization's CX and EX to the cloud cannot follow a one-size-fits-all approach. It requires a lot of preparation and several predefined cloud-migration methodologies to clearly document the scope, followed by rigorous change management that takes all these parameters into account. A managed service provider can step in with the skills and experience to manage the depth and complexity of the systems involved.

And, when something goes wrong – a policy change for a set of employees breaks one of the integrations, for example – the managed service provider should be able to act quickly and decisively to rectify the situation (in most instances, act proactively to avoid the problem altogether).

A cloud migration presents an opportunity to streamline old legacy systems, which have multiple integrations with other systems and vendors, into a single vendor and service provider.



Staying on track with expert help

Organizations that move to the cloud too quickly, without doing the homework, can end up frustrated by CX and EX solutions that are not fit for purpose. Rushing out to buy the latest toys with no real integration plan isn't advisable. On the other hand, keeping too much of the CX environment on-premises is likely to remain expensive and limit the evolution of CX.

Partnering with a managed service provider that offers a broad ecosystem of products and services is useful, because the MSP will be able to handle both standard and nonstandard systems integrations. It's about finding the "Swiss army knife" of MSPs that can provide telephony services, integration capabilities and expertise in key areas so the organization can stay current and continually deliver efficient, modernized CX.

A managed service provider can also make recommendations on how organizations can redeploy or upskill their staff to support a cloud-based ecosystem. Taking a step back and allowing a managed service provider to suggest a way forward can streamline these decisions.

A managed service can automate employee onboarding or resignations, ensuring all the employee's tools and system connections are switched on or off as needed.

Organizations may be also concerned about the cost of combined CX and EX integrations compared with just "one box" doing it all in the past. Again, working with an experienced MSP is beneficial: NTT, for example, has close relationships with the likes of Microsoft, Cisco and Genesys and will make whatever they develop integrate with a client's existing technology without the client having to spend a lot more or face business interruptions.

Organizations that move to the cloud too quickly, without doing the homework, can end up frustrated by CX and EX solutions that are not fit for purpose.

How to choose a managed service provider

Organizations need a managed service provider that can guide them in line with their strategic vision and that has all the required capabilities, including access to innovation, platform-driven solutions, enhanced cybersecurity and excellent service delivery.

Many traditional systems integrators are rebranding as MSPs. However, organizations looking for a managed service provider to support their CX and EX should do their homework and find a provider offering the entire solution – including all management and support, with clear pricing and deliverables stated upfront.

An experienced MSP will know that it's best not to design a solution that is too bespoke; in an organization that is already inefficient and struggling, following this approach may just replicate those stresses.

According to our research, the top three factors in selecting a managed service provider are:

- 1 **Leading innovation and a strategic vision**
- 2 **Enhanced cybersecurity**
- 3 **Improved service delivery**

The ideal MSP needs to have invested in the right technical skills, supported by tooling and platforms, with a focus on proactive monitoring and synthetic testing (simulating customer interactions and generating artificial transactions to understand how users experience an application by predicting their behavior). This shows the MSP can effectively secure and maintain their customers' use of their platforms.

It is critical for a managed service provider to keep up with the fast-developing field of AI and how AI-enabled tools can optimize and support CX and EX strategies. This must be part of the continual innovation on offer when an organization decides to work with a partner.

In a dynamic CX environment where shifting business needs can prompt rapid changes to the contact center, call flows, prompts and more, a managed service provider must also have the skills to respond to an organization's requirements quickly and efficiently – without the need to initiate separate workstreams each time. This should be backed up by service level agreements (SLAs) that support swift decision-making and actions.

Security is another central consideration. The actual CX platform needs to have enough inherent security, and a managed service provider should provide additional security in terms of their tooling, employees and processes to ensure end-to-end security.

Then, because the contact center interacts with many other parts of a business, there are legal, compliance and data-segregation needs to consider, such as the General Data Protection Regulation in Europe or the Payment Card Industry Data Security Standard. There may also be industry-specific security needs, like the Federal Risk and Authorization Management Program in the US, which defines a standardized approach across federal government for security assessment, authorization and continuous monitoring for cloud.

Some organizations may also want all their CX data to remain in-country, without realizing the data is already shared in the cloud on applications like Microsoft Exchange. A managed service provider should be able to advise them on a way forward that complies with data regulations without holding back their productivity or raising costs.

There are also compliance and regulatory requirements for EX – how employee-focused data is processed and encrypted, for example, or the recording of calls (although this is typically handled at the platform level). An additional need is training and change management among employees to avoid breaches like staff salaries being shared in a public space.

If a managed service provider does not offer such an all-inclusive service, with clarity on what's being delivered and the cost to deliver that service, it may be worth considering other contenders.

Who is making the decisions?

Our research shows that most final decisions on MSPs, business process outsourcing (BPO) and technology solutions are now being determined outside the IT team, while 95% of organizations say that the chief information security officer (CISO) and cybersecurity teams are closely involved in their CX and EX technology decisions.

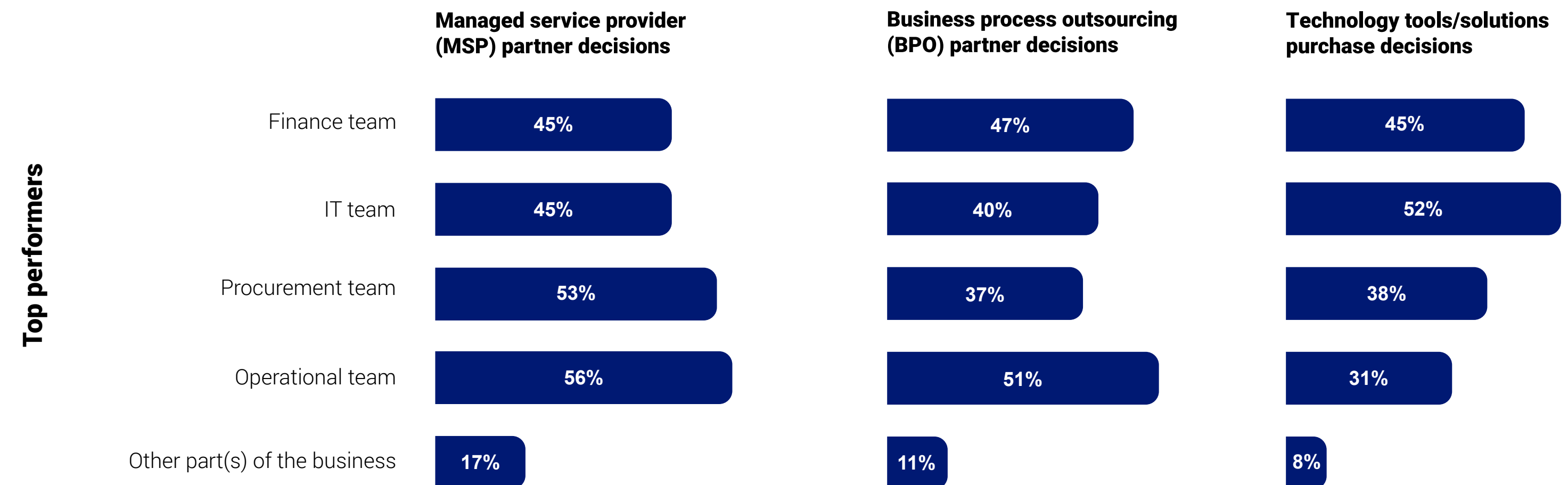
Top-performing organizations are already three times more likely than underperformers to involve their CISO and cybersecurity teams in selecting CX and EX vendors, and other organizations should consider following their example in this regard.

Other teams that should have a say in these vendor decisions include finance, procurement and operations. Operations team, particularly, should be consulted and included in decisions relating to MSPs and BPO.

Final decision-makers in partner/purchase decisions

The majority of final decisions on managed service provider (MSP), business process outsourcing (BPO) and technology partners or solutions are now being made outside the IT team.

95% of organizations say that CISO/cybersecurity teams are closely involved in CX and EX technology solution decisions. Top performers are leading the way and other organizations should consider following their lead in this regard.



Which part (or parts) of the business make the final decision on... (Select all that apply for each)

Base: All respondents, excluding DK/NAAs (n=1,356 to 1,382)



Section 6

How CX will be delivered

Previous
How organizations manage and buy CX products and services

Next
Summary and findings



How CX will be delivered

3 in 4

organizations say AI will be the norm within the next 12 months. Nearly every enterprise will be using some form of AI for CX by 2026.

Over half

of CX interactions are now being handled via proactive engagement.

57%

of customer-facing employees are now fully remote (30%) or hybrid (27%) workers.

70%

will make use of an office.

Top performers are **over 2x**

more likely than underperformers to select a cloud contact-center platform based on CCaaS and collaboration integration.

Top 3

factors in selecting a communication and collaboration platform

1. Ease of use
2. Security
3. Integration with other systems, applications and platforms

Top 3

tools to improve employee interactions

1. Virtual learning assistance
2. Interaction advice
3. Knowledge management system



It's clear from our research that there's a lot happening right now in CX and EX, with valuable opportunities being created in both areas for forward-thinking enterprises.

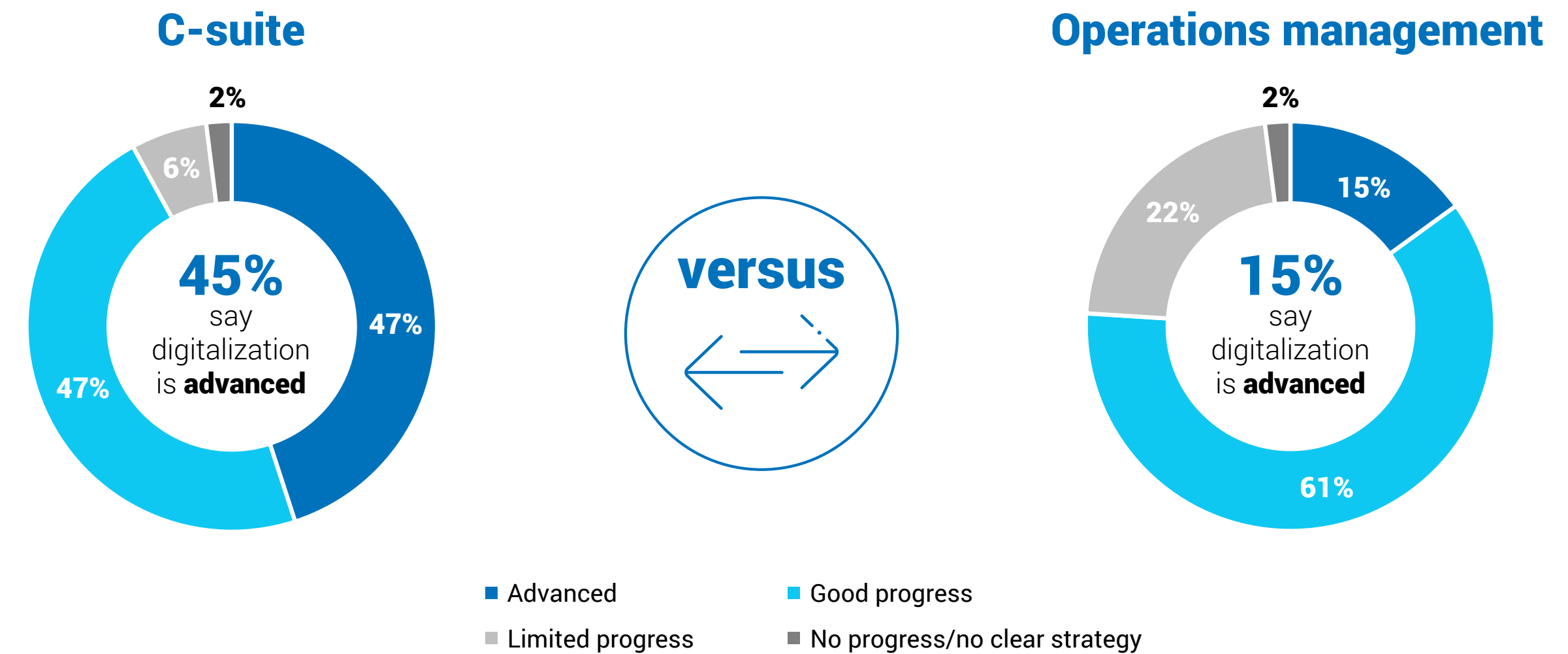
AI, for example, has emerged as a game changer of note by making CX technology more automated and intelligent. **Four in five organizations expect AI to become the norm in CX within the next 12 months, with nearly every organization saying they will use some form of AI in this area by 2026.**

However, even as the importance of CX and EX within a broader digitalization strategy becomes clearer, there is not a unanimous view in organizations on how much progress has been made in this regard. According to our research, 45% of C-suite employees believe their organization is at an advanced level of digitalization, but only 15% of employees in operational management functions agree with this assessment. This points again to the need for business-wide engagement on new CX and EX strategies, moving away from the previously siloed approach and ensuring that all parts of the business – including the C-suite – are involved and informed.

Four in five organizations expect AI to become the norm in CX within the next 12 months.

Disconnect in rating of digital progress

Members of the C-suite are three times more likely than frontline operational managers to consider their digitalization strategy to be at an advanced level.



64% of top performers say their digitalization is advanced; 35% report making good progress

How would you rate the progress of your organization's/agency's digitalization strategy to your business vision needs? (Select one for each)

Base: All respondents (n=1,442)

To deliver great EX and CX that in turn deliver business benefits, organizations should focus on three areas:

- 1 Innovating with AI and digital channels in CX
- 2 Looking after contact-center agents and other employees
- 3 Leveraging cloud to get the right tools and processes in place



Innovate with AI and digital channels in CX

In CX, the sharp rise in digitalization is creating new channels and innovative ways of interacting with customers on these channels.

There is now an average of eight channels in use per organization. These include a growing use of social media, cloud-based apps, chatbots, WhatsApp and self-service tools. This has created new ways of dealing quickly, intelligently and effectively with customers, and the traditional role of the voice-based call center is now just one piece of the puzzle.

From multichannel management to an omnichannel strategy

A multichannel approach is simply one where an organization makes more than one digital channel available to customers: chat, email and social media, for example. With this approach, there is no integration or customer migration between channels. One of the issues with this approach is that reporting is inconsistent.

So, organizations are now turning to an omnichannel strategy to manage and report on all their channels cohesively.

“Omnichannel” refers to the ability to escalate a customer contact from voice to a digital channel, for example, or vice versa – with in-depth, holistic reporting on that interaction. It doesn’t matter which channel the customer used to start engaging with the organization, as the customer journey can be tracked across the full digital landscape.

An omnichannel approach also involves capturing feedback throughout the customer’s journey, not only after they’ve made contact. Should organizations fail to do this, they may lose revenue and even suffer reputational damage in an era when disgruntled customers are likely to speak out on social media (and even those complaints need to be monitored by the contact center). In the hospitality industry, for example, customer feedback often comes via the Tripadvisors or Yelps of the world, not as a direct complaint to the organization.

The flow of communication is no longer from the consumer to the organization, but from the consumer to any channel that may have an impact on the organization – and this needs to be addressed in a CX strategy.



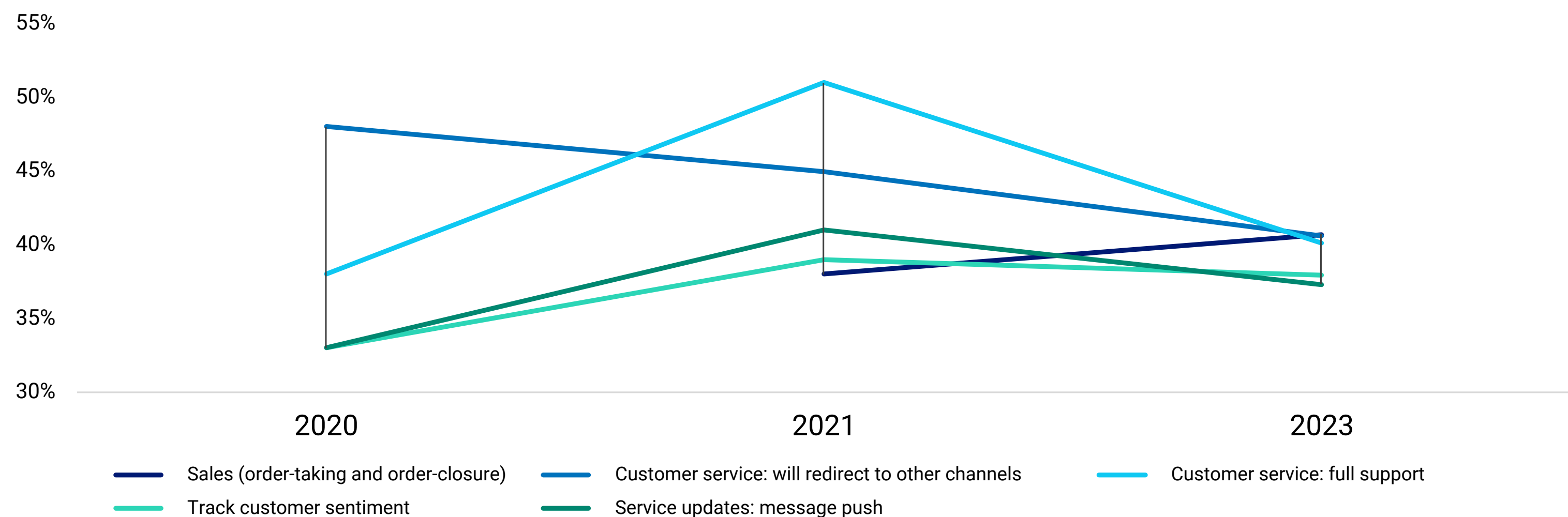
Shifting from social

It's worth noting that excitement about using social media as a CX channel has leveled off since our 2021 report, with varying usage by industry. Using social media for full customer service or as an avenue to redirect customers to other channels is now less prevalent overall. Although 2 in 5 organizations still provide full customer support via social media, slightly more than before will now redirect users to less public communication channels.

The evolving role of social media in CX strategy

The excitement around social media as a surging CX channel is leveling off. Usage varies by industry.

2 in 5 organizations still provide full support via social media; slightly more will redirect users to more traditional (less public) channels.



What role, if any, will social media play in your CX strategy in the coming 12 months? (Select all that apply)

Base: All GROUP 2 – CX respondents (n=794)

There has also been a slight dip in tracking customer sentiment on social media and in pushing service updates on social platforms.



The benefits of being selective

Importantly, though, for many organizations “omnichannel” doesn’t mean “all channels”. Organizations should package only the channels their customers prefer and which are well-suited to the expected customer interactions. The benefits of an omnichannel ecosystem will elude them if they hold on to siloed legacy systems and data sets, but taking on too many channels and touchpoints can be overwhelming too – and then there are also the finer nuances of automation, AI-driven language processing and other new technologies to consider.

When an organization has multiple touchpoints across customer platforms, some may just end up generating noise. In this case, data-based decision-making is needed to prioritize some of these touchpoints – for example, a voice channel along with two or three others relating to how an organization services its market. This makes it simpler to create a true omnichannel view of customer interactions on every channel.

In this ecosystem, voice coupled with chat, email and social media is becoming the norm. Some digital channels resonate more with customers of specific ages, but this also depends on the nature of the organization: the preferences of a financial services firm’s customers, for example, will differ from those of a travel agent’s customers.

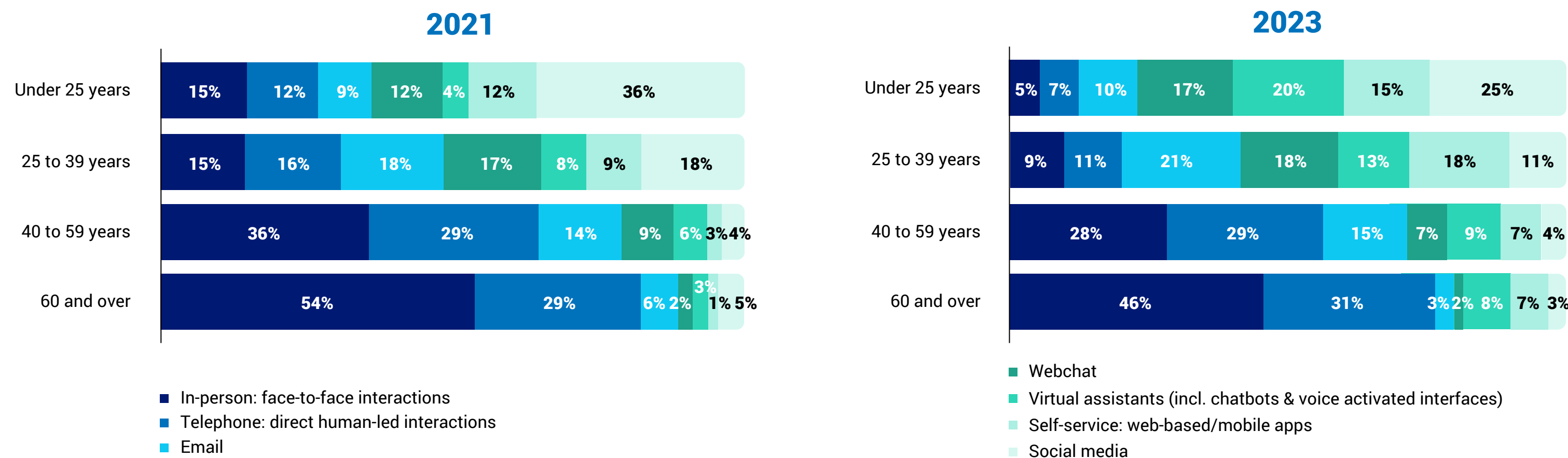
Comparing our 2021 report findings to this year’s research, social media has become a noticeably less popular channel for customers younger than 25 and for those between 25 and 39 years old. However, self-service and webchat options are rising in popularity in these age groups.

Customers aged 40 and over still show a clear preference for in-person and telephone-based CX interactions over self-service and webchat channels. This may point to them being less comfortable with new technologies or having more complex customer queries, which require human assistance, than other age groups.

Demographic evolution: looking for different things

Under-40s are open to an ever-widening variety of contact pathways. The trend of those aged 40+ accepting less traditional channels continues, although for now, human-led channels are still their main preference.

Most popular contact channels for each customer age group



Which of the following contact channels are most popular with the following age groups?

Base: Operational role respondents? n=200

The choice of channel also differs by country and even by continent. In Europe, for example, WhatsApp and in-app chat channels – such as those found in banking or online commerce apps – are popular.



A more expansive approach to CX design

Implementing CX channels is just one part of the job. They also need constant management and maintenance. If the organization is providing a chatbot linked to a database, for example, is the data always up to date? Are the exit points from the chatbot to other channels working?

It’s also important to consider how proactive customer engagement, which for 38% of organizations now accounts for more than half their CX interactions amid ongoing digital enablement, can affect the volume of reactive customer interactions. A CX design should take both directions of communication into account, regardless of the customer’s entry point or who initiated the interactions.

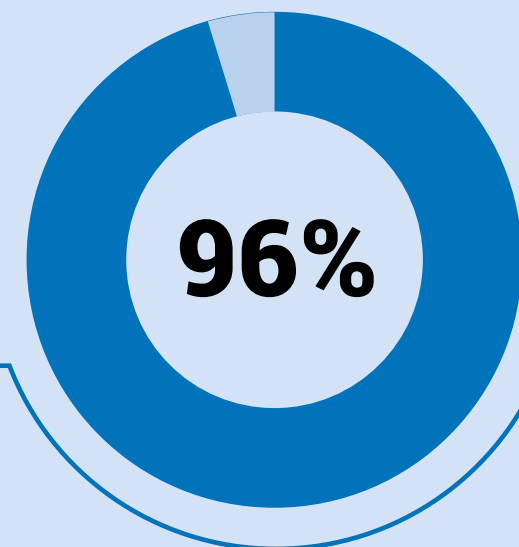
Other important factors in modern CX design are:

- Online communities, which 96% of organizations agree (47% strongly) offer great insight into customer issues
- Employee intelligence: 92% of organizations are capturing voice of employee (VoE) data – employees’ opinions, feedback and perspectives – to support employee engagement
- Real-time customer feedback, which organizations rate as the number-one input for tailoring their customer-journey design

A broadening approach to CX design

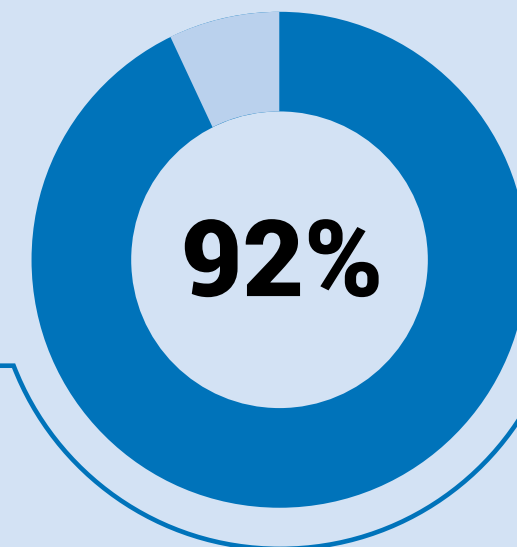
Organizations are increasingly leveraging technology to more powerfully inform CX requirements.

Online communities



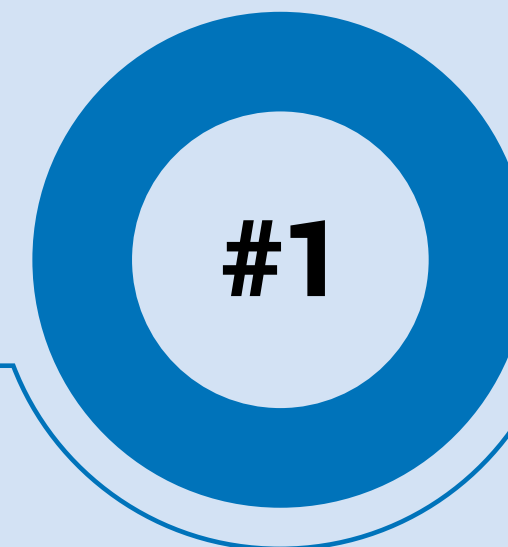
96% of organizations agree (46% agree strongly) that online communities offer great insight into customer issues and are becoming an increasingly important factor in their CX strategy.

Employee intelligence



92% say they capture voice of employee (VoE) data to inform product, service and process improvement.

Real-time insights



#1 Real-time customer feedback is the number-one input for future customer journey-design strategies, and to drive improvisation or tailored experiences.

67% of operational CX managers say they now attach more significance to customer effort than to customer satisfaction.

A note on self-service

For a long time, self-service has relied on IVR tools. Customers are now familiar with voice self-service, going through IVR and being channeled along different routes to achieve an outcome.

Digital self-service is a newer, but very similar, development – for example, moving a customer along channels on a chat application based on their prompts. Using a chatbot on an organization's website to resolve common queries for which the data is easily accessible, and without being passed on to a more expensive human resource, is already a more attractive prospect to many customers than making a voice call.

The business benefits here are threefold: the time, the cost and the user experience. A five-minute phone call – with hold time – could be handled in less than 30 seconds through a self-service option, which is a far better experience for the customer. It's easier, faster and always available.

But again, organizations have to maintain and update self-service systems regularly as processes change, or risk turning them into a frustrating experience for customers when they don't work as they should. Self-service channels should also be adaptable enough to use customers' buying history, contact history and other preferences to predict their questions or tailor-make answers for them.

Many organizations will push for self-service because it seems like a good way to save money. However, it needs to be integrated with other CX systems in the business so they can learn from each other. A static standalone self-service solution – one that does not learn or evolve as the organization gathers more data on its customers – will not add real CX value.



Look after contact-center agents and other CX employees

As our report shows, the delivery of CX has been greatly affected by the ways organizations have adjusted their operating models to balance remote, hybrid and on-premises working. Contact-center employees will appreciate the flexibility a hybrid or remote role brings. However, they may end up frustrated if they are not enabled with the tools to do their jobs as well remotely as they can in the office, or if they can no longer empower themselves through training and development initiatives.

Many organizations may talk about their employees being their greatest asset, but the business outcomes they focus on relate almost exclusively to their customers: how many customers they acquired in a year and how much more revenue they generated. There has been less of a spotlight on how many employees they retained, upskilled or promoted.

Employee enablement and empowerment are central tenets of the new EX

This means organizations have to step up to ensure all their CX staff can operate efficiently regardless of location, which in turn will drive productivity and improved customer service.

The secret is having enough checks and balances in place to ensure efficiency, productivity and professionalism in the hybrid workforce. It also requires supervisors to adopt new management techniques.

To achieve this, organizations need systems integration, EX and CX skills, and tools like knowledge management systems and virtual learning, all underpinned by cybersecurity skills to support their employees.

Top skills and tools required to enhance CX delivery

Operational leader perspective

Top 3 skill requirements for CX design

- 1 Systems integration experts
- 2 EX specialists
- 3 Cybersecurity



Top 3 tools to improve employee interactions

- 1 Learning assistance
- 2 Interaction advice
- 3 Knowledge management system



Emerging EX technology

EX-related technology used to be mostly a collection of capabilities ranging from telephony and PBX to video- and audioconferencing or event services. These capabilities have now converged under the umbrella term “unified communications” – referring to the integration of multiple enterprise-communication tools.

Now, integrated EX and CX systems allow calls to an organization to be escalated beyond the contact center and vice versa – from within the business itself to the contact center.

And, because EX itself now has a broader scope than simply communication tools – it’s about the full workplace experience, whether employees work from home or the office – the application of technology can get as detailed as the temperature settings for meeting rooms and the devices installed in those rooms.

Emerging EX solutions will also enable organizations to measure and report on EX. They’ll be able to optimize EX by learning from employees’ interactions with each other – how they interact, or how long it takes them to find answers to their questions – and make workspace management improvements where needed.

Nearly all organizations (95%) now agree that quality-monitoring and analytics tools are a high priority and integral to compliance-focused workforce-optimization tools.

More organizations are starting to these solutions to improve EX for office workers, but they need to do the same for field workers and other employees whose jobs take them out of the office environment.

Catering to these employees’ needs is likely to become another important EX trend: imagine an Amazon delivery driver being able to connect to the customer via virtual-reality glasses to get exact, real-time instructions on where to leave a package, instead of shouldering the blame for misplaced deliveries.

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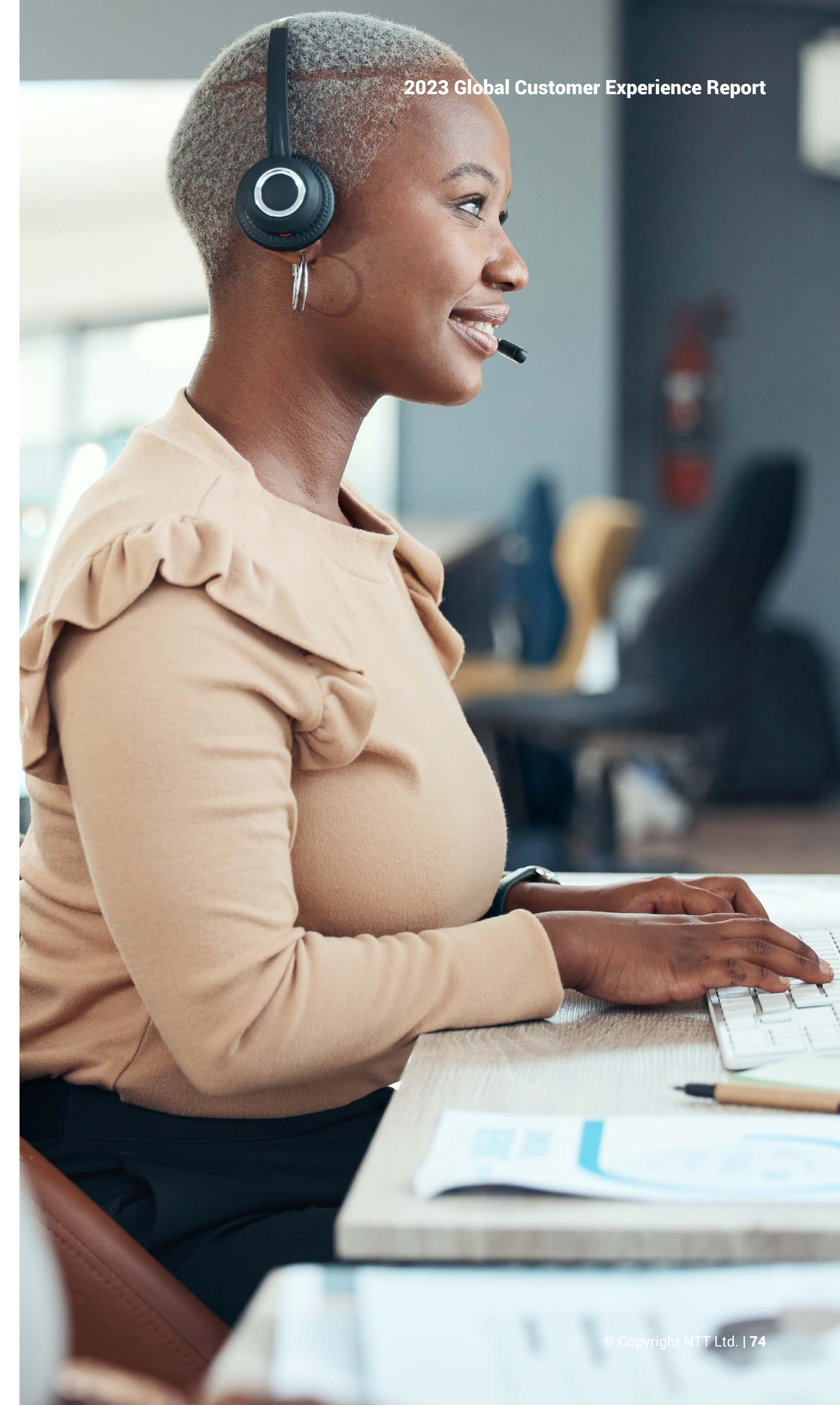
Leveraging cloud to get the right tools and processes in place

A game changer in organizations' digital transformation is the adoption of contact center as a service (CCaaS), a cloud-based strategy that is fast gaining traction.

Usually, the only cons of this strategy relate to the complexity of migrating CX functions to the cloud. For example, many private branch exchanges (PBXs) have complex customizations that were implemented over time to match business needs. Organizations may also depend on multiple PBX brands, with many business processes integrated into on-premises CX ecosystems. So, it requires a lot of planning for them to end up in a similar state of integration and customization after the migration.

However, many organizations have realized they don't need all of that complexity and are eager to simplify their CX approach. For them, the benefits of cloud-based solutions are likely to overshadow the loss of legacy features with diminishing value. These benefits include scaling, intelligent routing into the organization, and enabling agents to work from home – **already, only 43% of CX employees are in the office full-time, while the remainder are working in a hybrid model or altogether remotely.**

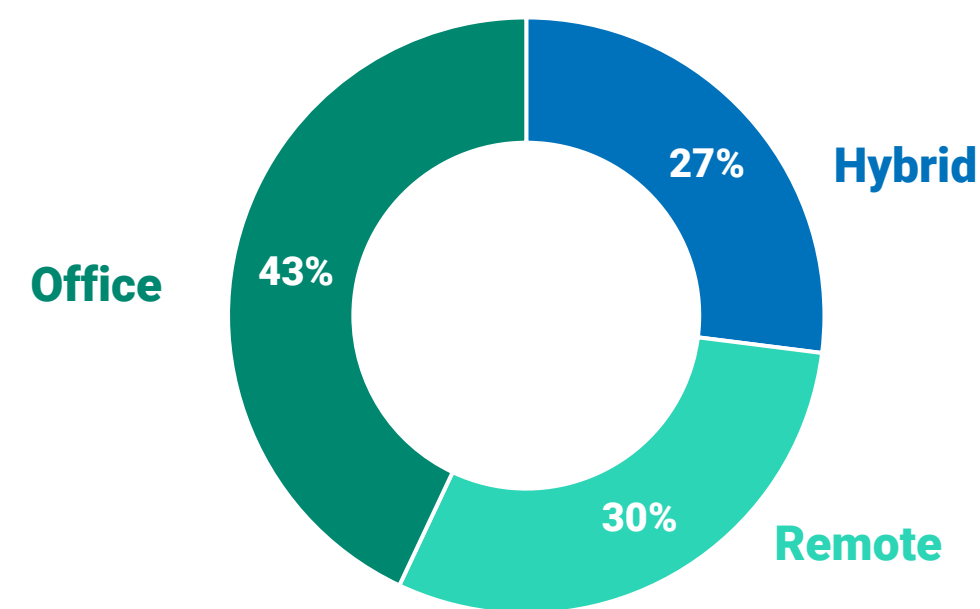
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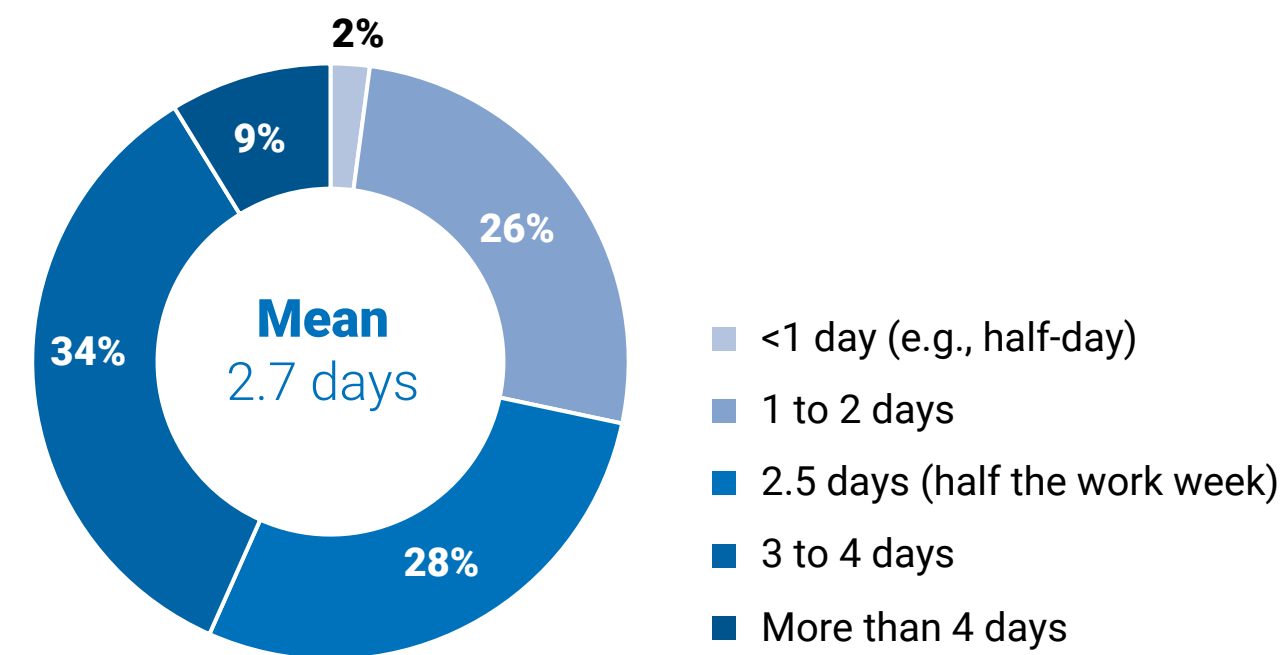
Evolving operating models for CX employees: embracing hybrid and remote working

70% of CX employees still make use of an office location, either full-time (43% – predicted in 2021 to be 68%) or as part of a hybrid model (27%), while 30% are now fully remote. On average, 56% of hybrid workers will spend half the work week at the office, which is significantly lower than the forecast of 75% in 2021.

Average % of CX employees working from each location



Among hybrid CX employees: number of days per week spent working remotely



Based on your current policy, what proportion of CX employees will work from the following locations? (Select one) Base: All GROUP 2 – CX respondents, excluding "Don't know" responses (n=718)

On average, how many days a week do you believe your hybrid CX representatives will spend away from the office (i.e. working remotely)? (Select one) Base: All GROUP 2 – CX respondents with hybrid workers (n=676)

The changing nature of CX delivery

While CX is adapting to a hybrid work environment, on-premises CX technologies are moving to cloud platforms and are now often delivered as a service with an omnichannel approach. CX leaders such as Genesys and Cisco, as well as the likes of Amazon, are delivering true cloud-native contact-center solutions.

Traditional "monolithic" IVR systems are ripe for disruption as advances in voice-bot technology enable much more integrated and user-friendly navigation options, more agility and more administrative control.

New contact-center technologies are now readily available to organizations of all sizes. It used to take six to nine months to deploy and implement a contact-center solution; now, it's typically three to four months. Gone are the days of setting up hardware and operating systems – everything is now provided as part of CCaaS, and all that remains is to configure the technology to match an organization's specific business needs.

On-premises CX solutions were typically complex and hardwired – and sometimes even held together by duct tape. But cloud-based CX, supported by application programming interfaces, is composable technology with the flexibility to add enhancements and upgrades on the go to match evolving business needs without embarking on large, capital-intensive projects.



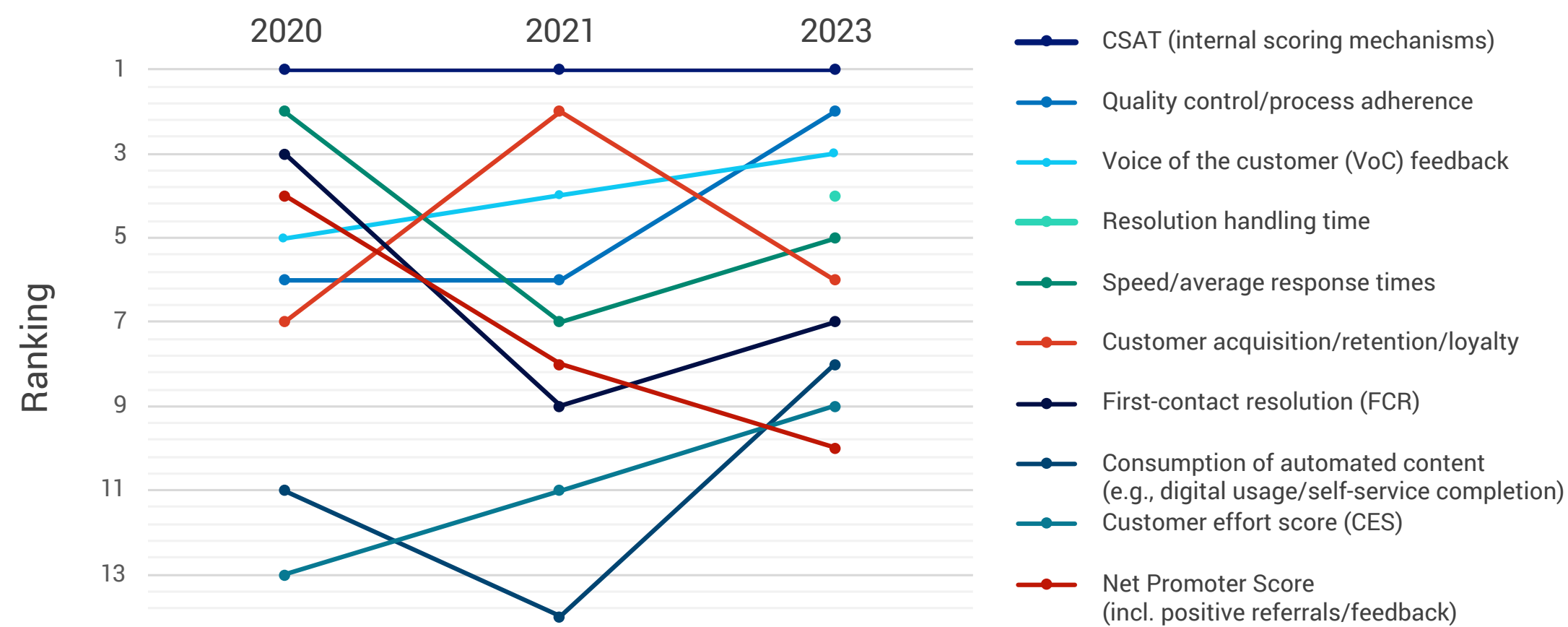
Moving on from traditional measurements

The metrics used to define CX performance are also changing. More than two-thirds of organizations say they have replaced their traditional CX performance indicators with new metrics, which include internal scoring of customer satisfaction, voice of the customer (VoC) feedback, resolution-handling times, average response times, first-contact resolution, customer effort scores, and the consumption of automated content (through self-service tools, for example).

Two metrics that scored lower than in our 2021 report are Net Promoter Scores and measurements of customer acquisition, retention and loyalty. On the upside, customers' promoter rating for organizations' current CX capabilities has increased to 43%, from 30% in 2021, while detractors are down from 25% to 13%.

Defining success differently: a swift move from traditional CX performance measures to new metrics

As enterprises undergo a strategic reset, there's a growing emphasis on VoC and quality control. Organizations are prioritizing internal mechanisms to gauge customer perception, and they're focusing on in-house discipline and adherence to systems.




Over 2 in 3
organizations say they
have replaced traditional
CX performance
indicators with new
success metrics.

The promoter rating applies equally to human-led CX interactions and AI- and RPA-driven interactions, which is a vote of confidence in these new CX technologies and shows that organizations' latest CX strategies are paying off.

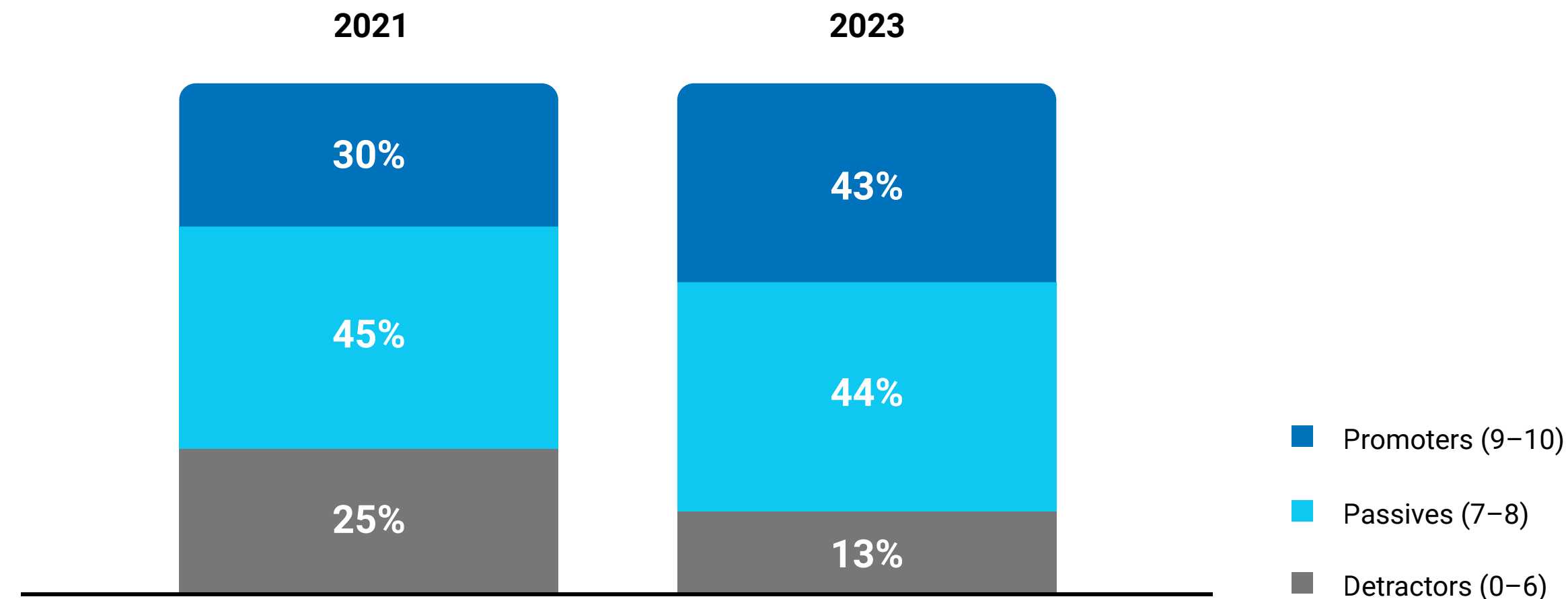
What, if any, metrics does your organization use to measure the effectiveness of your CX? (Select all that apply)

Base: All GROUP 2 – CX respondents (n=794)



Customers' ratings of organizations' CX capability

Promoter ratings of organizations' current CX capability have increased, from 30% in 2021 to 43% this year. Passives remain much the same; detractors have almost halved (down from 25% to 13%). Interactions with humans, AI and RPA show similar results.



On a scale of 0 to 10, where 0 is "very poor" and 10 is "excellent", how do your customers rate your CX performance (Select one for each)

Base: All GROUP 2 – CX respondents, excluding "Don't know" responses (n=783 to 791)

Valuable tools and solutions in CX

Coupled with the traditional core elements of contact centers – IVRs, queuing, automatic call-distribution and omnichannel management – is workforce optimization, which includes call recording, the scheduling of workers, training and quality management. It allows organizations to better manage their workforce and empower their agents to provide quality service.

Workforce optimization is supported by a growing range of advanced CX reporting and analytics tools that give organizations greater visibility of the contact center, and by tools that can improve contact-center agents' interaction with customers. In the latter category, **organizations now list virtual learning assistance, interaction advice (through prompts and personalized guidance), knowledge management systems, content management systems (that push relevant content to employees) and diagnostic tools as their top five tools.**

Real-time speech and text analytics have also been enabled by the move to the cloud, and there is an increasing focus on hyperpersonalization, which is set to improve along with advances in AI.





Top 10 tools prioritized to support CX agents

Almost half the organizations we surveyed now have virtual learning tools available, but just over 1 in 3 have access to knowledge management systems and/or content management tools (pushing relevant content to the employee).

Tools available to enhance and improve employee interaction with customers	Top 10
Virtual learning assistance	1
Interaction advice (e.g., prompts questions, offers and personalized guidance)	2
Knowledge management system	3
Content management (e.g., relevant content is pushed to the employee)	4
Diagnostic tools	5
Simple intuitive interface/systems	6
AI and machine learning-driven support (e.g., attended virtual agent)	7
Robotic process automation (RPA) to automate manual tasks	8
Predictive/sentiment analytics	9
Autoscripting	10

What systems and/or tools, if any, do you have available to enhance and improve employee interaction with customers? (n=200)

Organizations are also looking for new skills to realize the potential of these new developments in CX and EX – either by bolstering their in-house teams or by working with a managed service provider. **The top three areas where skills are needed in CX design are now systems integration, EX and cybersecurity.**



Section 7

Summary and findings

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EX, hybrid working and the human factor

As the world embraces new ways of working, it has become paramount to keep employees motivated and enabled wherever they are. This can be achieved partially through cloud-based communication and collaboration tools, but organizations also have to think beyond the technology to keep their staff engaged and focused on tasks where humans deliver true value.

Embrace collaborative technology, with the assistance of an expert partner, to ensure employees are fully enabled for maximum productivity while benefiting from flexibility in their work arrangements.



AI is the great enabler

AI is breaking down barriers and fueling CX transformation by making CX technology more automated and intelligent. Organizations continue to invest in AI-powered tools, delivering increased efficiency, hyperpersonalization and increased customer satisfaction and retention.

Adopt AI to stay relevant, survive in a competitive landscape and unlock significant business value.



Cloud is critical

Cloud computing has revolutionized the way organizations use technology. Cloud-based CX is composable technology that gives organizations the flexibility to securely add enhancements on-demand, accelerating their access to innovation.

Cloud enables advanced AI and analytics, underpinned by security, to drive CX transformation. Invest in a managed service provider that can support your journey to cloud, providing flexibility, security and innovation.

Security remains the underpinning factor across all CX and EX priorities and strategies



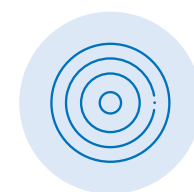


In conclusion

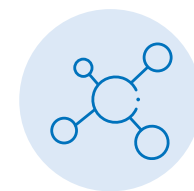
Organizations need to embrace new technologies to evolve their CX, supported by newly prioritized EX.

NTT can help you navigate the new world of AI- and cloud-enabled CX and EX.

Our experience in migrating organizations to the cloud, combined with our proven CX and EX capabilities, will complement your existing infrastructure and technology service and give you a competitive edge.



Align your CX and EX strategies to improve your return on investment.

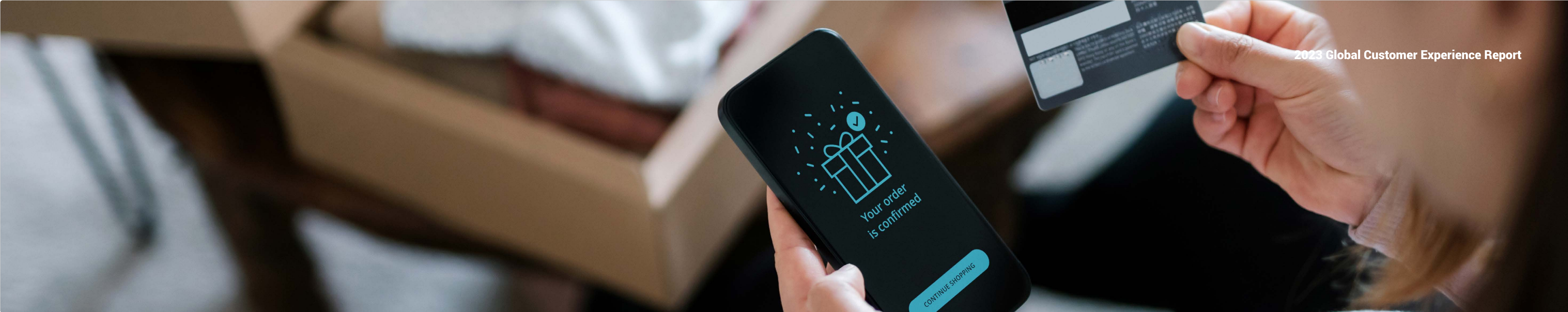


Invest in a partner with the expertise to guide you through the new world of intelligent CX and EX.



Move to models like CCaaS and UCaaS to access speed, innovation and flexibility.





Why organizations work with NTT

Organizations looking to improve their CX cannot just buy an off-the-shelf contact-center solution and think they have addressed the problem.

This is where the relevance of a managed service provider like NTT becomes clear: not only do we provide a technology platform, but we also adapt that platform to enable business outcomes for our clients.

We customize the platform for the call flows of specific industries and our clients' business needs, and set up productivity and efficiency metrics for their contact-center operations so they can better understand their spending in this area.

This is highly relevant in an omnichannel environment: our clients need to know their money is well spent. That's where our expertise can help take their CX strategy forward.

If we implement an omnichannel strategy for our clients, we make sure they have the analytics and insights to resolve problems and continually improve their processes while taking advantage of innovations such as integration between channels.

And, as the technologies become more integrated, our clients need integrations on the back end as part of their contact-center-as-a-service solution, because they should be able to learn from all customer interactions, improve on them and feed the data into the rest of their business.

Learn more about our [CX/EX Consulting Services](#)

Join the conversation



Section 8

About the report



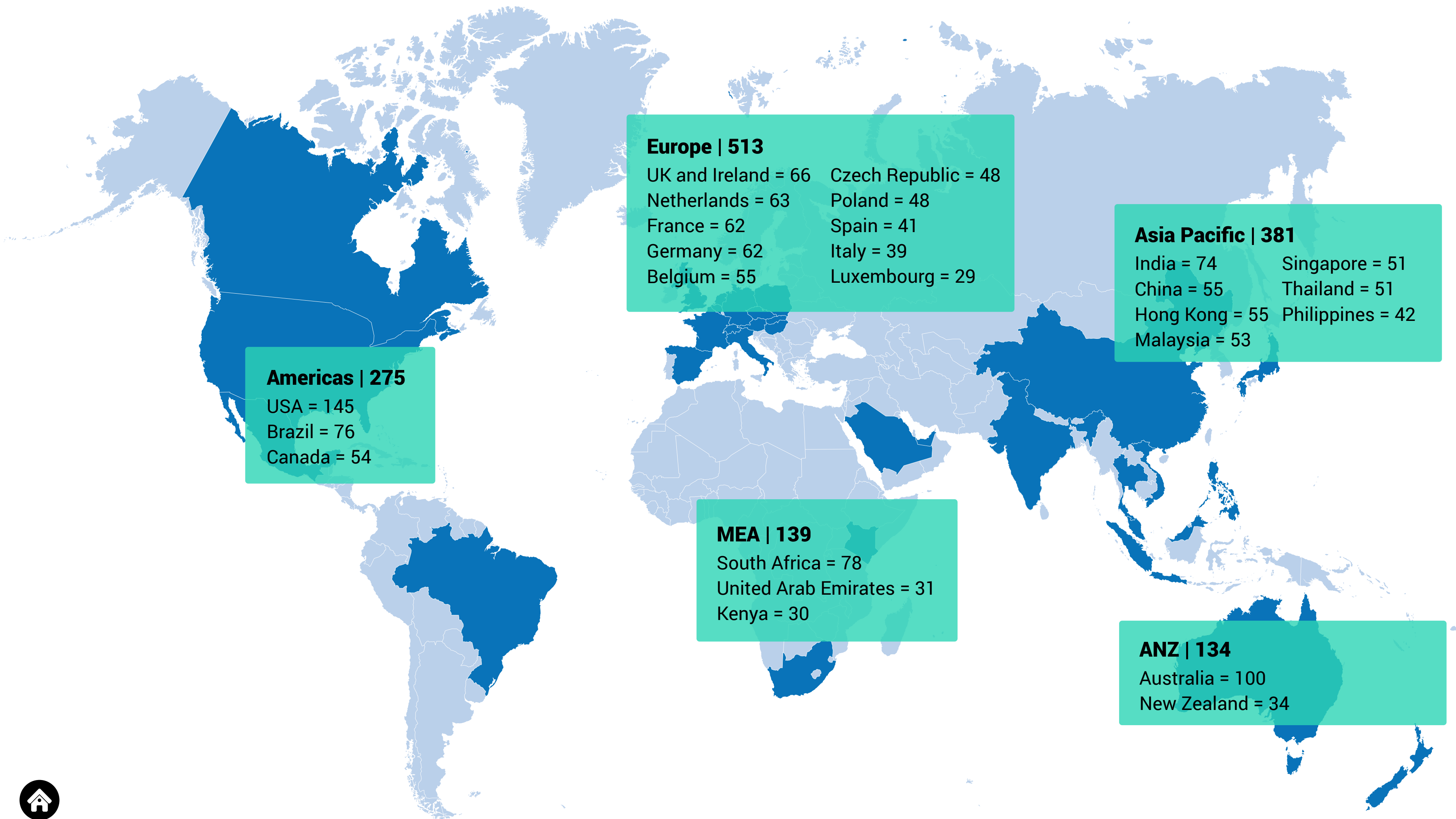
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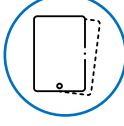




Research span 1,442 interviews across 25 countries in 5 regions

CX/EX decision-makers and influencers intelligently routed across a range of business roles



Role

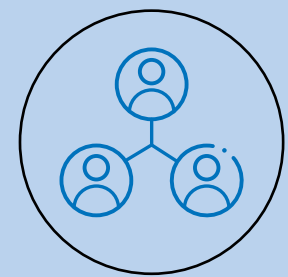
-  CX operations: **30%**
-  IT/IT Sec: **21%**
-  HR/EX: **15%**
-  Digital: **6%**
-  CEO: **11%**



The research in numbers

Conducted on behalf of NTT Ltd. by Jigsaw Research

during April 2023



Role levels

C-suite: 61%
 VP/Head of/Director: 28%
 Snr Manager: 11%

Includes

CEO: 11%
 COO: 10%
 CXO/CSO/CCO: 9%
 CHRO: 4%
 CIO/CTO: 13%



Expertise

CX & EX: 1,014
 CX only: 794
 IT: 442

Includes

Principal decision-maker
 /part of decision team:
 >8 in 10
 Decision/budget
 influencer: <2 in 10



Organization size

1,000 to 2,500: 26%
 2,501 to 5,000: 25%
 5,001 to 10,000: 26%
 10,001 to 50,000: 15%
 50,001+: 8%

Includes

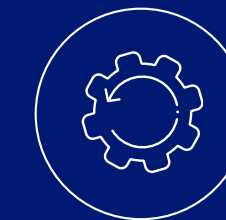
USD 1 billion to USD 9.99
 billion: 41%
 USD 10 billion or more:
 21%

1,442 interviews

across 14 sectors, including:



Retail/wholesale/ecommerce: 8%



Manufacturing (10%) and automotive (6%)



Financial services: 17%



Technology: 12%



Health/healthcare/
 pharmaceuticals: 10%



Communications/
 telecoms/media: 5%



Research methodology

The 2023 Global Customer Experience Report is based on independently sourced research data. Participants were selected via random sampling on the basis that they had a direct or indirect influence on their organization's CX and EX requirements, or decision-making authority in that regard.

The research data was gathered via an online questionnaire that ran during April 2023. Research was conducted for NTT Ltd. by Jigsaw Research, an international strategic-insight agency with an exclusively senior team.

Data integrity, validation and analysis were performed by NTT Ltd.'s specialist in-house Primary Research and Benchmarking Team in conjunction with Jigsaw Research. Data and outliers were validated in accordance with standard research industry rules, disciplines and best-practice approaches. The data is being presented at a 95% confidence level with a 3% margin of error.

Top performers and underperformers: assessment criteria

From the organizations whose responses were included in this report:

Top performers have been categorized as having:

- Higher revenue growth (increased by 10% or more in the last fiscal year)
- A stronger operating profit as a percentage of revenue (more than 15% in the last fiscal year)

Underperforming organizations have been categorized as having:

- Poor revenue growth (0% or less in the last fiscal year)
- A weaker operating profit as a percentage of revenue (less than 5% in the last fiscal year)

The middle of the pack is categorized as having:

- Revenue growth of up to 10% in the last fiscal year
- Operating profit as a percentage of revenue between 5% and 14.9% in the last fiscal year



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Section 9

About NTT Ltd.



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About the report





As part of NTT DATA, a USD 30 billion IT services provider, NTT Ltd. is a leading IT infrastructure and services company serving 65% of the Fortune Global 500 and more than 75% of the Fortune Global 100. We lay the foundation for organizations' edge-to-cloud networking ecosystems, simplify the complexity of their workloads across multicloud environments, and innovate at the edge of their IT environments where networks, cloud and applications converge.

We offer tailored infrastructure and ensure consistent best practices in design and operations across all our secure, scalable and customizable data centers. On the journey toward a software-defined future, we support organizations with our platform-delivered infrastructure services. We enable a connected future.

Visit us at services.global.ntt





List of abbreviations

AI	artificial intelligence
BPO	business process outsourcing
CCaaS	contact center as a service
CIO	Chief Information Officer
CISO	Chief Information Security Officer
CRM	customer relationship management
CX	customer experience
EX	employee experience
HR	human resources
IoT	Internet of Things
IVR	interactive voice response
MSP	managed service provider
NPS	Net Promoter Score
PBX	private branch exchange
RPA	robotic process automation
UCaaS	unified communications as a service
VoC	Voice of the customer
VoE	Voice of employee



