NTT

2020 Global Customer Experience Benchmarking Report

The connected customer:
delivering an effortless experience

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What analysts say about the Report

'Once again, NTT Ltd. provides key insights into what customers want and need, helping to guide organizations as they engage with customers. The data helps businesses identify where and how to invest their resources in order to differentiate and provide the effortless experiences customers are expecting and demanding. NTT Ltd.'s Global Customer Experience Benchmarking Report is my go-to resource for unbiased data and CX research.'

Blair Pleasant
Principal Analyst, COMMfusion

'The Benchmarking Report continues to be my number one go-to source of validation for customer trends in the industry. This year's report did not disappoint as it provided even more validation for the continued trends we are seeing in customer contact.'

Nancy Jamison
Principal Analyst, Customer Contact, Frost & Sullivan

'NTT Ltd. continues to redefine the Customer Experience Benchmarking Report, mirroring changes in the enterprise software industry being driven by the cloud, mobility and digital transformation. The 2020 report brings timely insights on automation trends and workplace optimization while continuing to deftly chronicle the shift from voice and in-person customer experience to digital.'

Sheila McGee-Smith
Principal Analyst, McGee-Smith Analytics

Contents

Foreword

This is the first year the Report is being published under the NTT Ltd. brand and we're pleased to present a collection of perspectives from thought leaders with diverse experience within the NTT Group. We also have more contributors sharing their insights and discussing what the trends mean, based on their work with clients from a vast range of industries across the globe. I trust you will find this information valuable as you work towards optimizing CX within your organization.

From data to insights and action

From sales to support, customers expect consistency in their interactions with organizations. Our theme for this year's Report – 'The connected customer: delivering an effortless experience' – sums up the necessity of getting CX right in every area of the organization, on every modality, across the value chain (which may well involve external providers, too).

That's easier said than done when you're dealing with a complex system of many independent moving parts. There's a great deal of effort involved in delivering effortless CX. But organizations making that effort are reaping the rewards, as we see in the performance of those in the top quartile this year.

Focus on business outcomes

CX is still recognized as a clear differentiator (by 81.6% of organizations) and the number one indicator of strategic performance. Board-level accountability for CX is rising. Yet, only 12.1% say customers rate their CX at a promoter level.

This year's findings show that ease of resolution is still the most important factor in customer satisfaction. So, connect with your customers the way they expect, using channels they wish to engage on. To provide a seamless and effortless journey, focus on these key business outcomes:

- **Lead with strategy**: CX is an enterprise-wide deliverable that requires a clear, integrated strategy and well-defined execution across the organization. Boardrooms need to follow through on sentiment and ensure that CX strategies are clearly formulated, managed and delivered.

- **Understand customers**: The voice of your customers and employees remains at the center of CX strategy and design. Data quality and governance are essential to CX analytics, as is a data management platform that integrates information and insights.

- **Personalize experiences**: Understanding what it is that your customers value will enable you to deliver the exception, not the rule – and meet increasing demands for hyper-personalization in CX.

- **Engage through omnichannel**: Customers want to engage on their channels of choice but it's the customer journey, not technology availability, that dictates whether new channels should be deployed.

- **Automate intelligence**: AI and machine learning will become the catalyst for understanding customers, improving business operations and enabling human workforces. However, these technologies are still in the early stages of development, so be circumspect in your deployment.
- **Optimize performance**: Optimization is an ongoing practice, a philosophy of continuous improvement, an evolution of technology, business and people to better serve customers. As the pace of change accelerates, the focus of optimization should move to agile and adaptable approaches.

A well-defined CX strategy and clear leadership are the foundation for a truly connected, effortless CX that will create value for your customers and business.

Nemo Verbist
Senior Vice President, Intelligent Business and Intelligent Workplace

Nemo is responsible for the vision, strategy and go-to-market execution for the Intelligent Business and Intelligent Workplace practices.

Follow Nemo on LinkedIn.

To remain relevant in a complex, changing environment, you need to…

1	2	3	4	5	6
Lead with strategy	Understand customers	Personalize experiences	Engage through omnichannel	Automate intelligence	Optimize performance
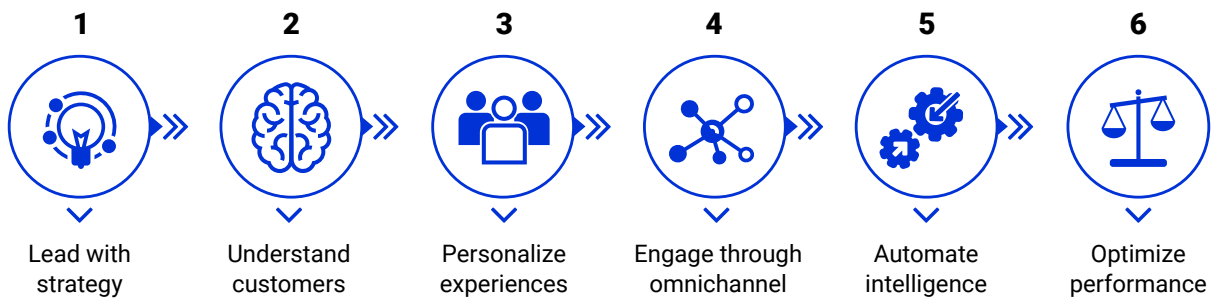
…to create more value for your customers and business.

A model for success: lessons from the top CX performers

This year's findings highlight the difficulty of meeting high expectations for on-demand transactions and hyper-personalization.

Many organizations are failing to meet these expectations, for several reasons. Yet, organizations in the top quartile are significantly ahead of their industry peers and set the benchmark others should aspire to.

Those falling behind will only become more vulnerable – hence the need to act and transform now.

Here are four lessons we can learn from this year's top performers:

1
Define the value of CX and understand why it's a crucial part of strategy
Organizations that understand and can track the value being realized from their focus on CX, recognizing it as a crucial element of CX strategy, are delivering significantly better customer experiences.

Results:

28.3% score promoter-level results from their customers (against a 9.5% average of those who do not) while just 19.3% report detractor-level results (compared with 64.2%).

Takeaway:

Track the value CX brings to your organizational goals.

2
Collaborate on CX design
Speed-to-answer time is a key factor affecting perceptions of ease of resolution, which is what counts most when it comes to CX and customer satisfaction.

Organizations adopting a fully collaborative approach to the design of CX processes, involving all business functions, are slashing these times.

Results:
Compared with those working in silos or with only limited collaboration, their responses are:

- 41.6% better on telephone
- 34.3% better on email
- 10.2% better on web chat
- 33.7% better on social media

Takeaway:
Design enterprise-wide CX solutions that transcend all customer touchpoints.

3

Accelerate the benefits of an improving CX capability with a formal VoC program

Organizations with a formal voice of the customer (VoC) program have been able to evidence significantly higher benefits from an improving CX capability than those operating without.

Results:

- 64.9% (versus 51.3%) have seen improvements to customer loyalty and value
- 50.0% (versus 36.1%) have improved revenue/profits
- 38.4% (versus 29.6%) have also reduced costs

Takeaway:

Formalize how you listen to your customers.

4

Regard enterprise analytics as key to identifying CX inhibitors

Leading organizations have the data management and cross-channel analytics capabilities to really understand their customers and provide context-based personalization.

Results:

- organizations with access to enterprise-wide CX analytics systems have reduced the percentage of disenchanted customers to 21.4%
- organizations functioning without these systems receive negative (I.e., detractor-level) CX scores from 49.3% of their customer base

Takeaway:

Inform your CX with data-led insights.

1. Lead with strategy

From detractor to differentiator: the case for an optimized customer experience strategy

81.6% **81.6% of organizations agree that CX offers a competitive edge and 58.0% say it's their primary differentiator, yet it forms a crucial part of organizational strategy for just 14.4%.**

26.2% **Only 26.2% say the value of CX is fully defined and tracked.**

44.5% **Rising by 36.5%, some 44.5% of organizations now operate structured voice of the customer (VoC) programs to drive CX improvement and innovation.**

It's encouraging that organizations continue to recognize CX as a core differentiator. Other positive signs are the increase in board-level representation of CX and a decline in the number of organizations that lead CX channel by channel.

However, these high-level actions have yet to cause material change in CX for most organizations. Only 12.1% claim customer ratings are at an advocacy level. For 42.9%, ratings are at a detractor level – a significant jump from 27.2% a year ago.

Despite a huge focus on emerging technologies to improve agent productivity and enhance self-service, most organizations have failed to reach these targets. There's been limited progress in integrating digital initiatives with contact center initiatives, and using data, analytics and artificial intelligence (AI) to influence and impact CX.

Effortless CX is the product of a customer experience culture. An optimized CX strategy needs an organized execution framework that reaches all employees at the frontline of customer interactions. Understand the value, risks and opportunities of CX to be personal and proactive.

Part 1: Industry insights

The performance of industry leaders shows just what can be achieved. To reach those same heights, make effortless CX your goal. Listen to your customers and benchmark your progress against the organizations making significant progress in this area. Harness data, design intelligent processes, and implement automation and AI at appropriate points.

Do you have intelligent processes that enable proactive CX?

Proactive CX reduces customer effort and frustration and increases advocacy

Effortless CX is largely proactive. It anticipates what customers want to know and delivers relevant content at the right time to reduce contact-in.

When contact center volumes grow and satisfaction levels fall, it affects business performance and increases the risk of churn. If a customer is forced to contact you, it's usually because there's a problem that requires them to act, which means there's a higher risk of something going wrong.

The number of organizations now dissatisfied with their CX capability has grown to 26.9%, a rise of 15.0% from last year.

Effortless CX, delivered to your doorstep

Delivery businesses are an excellent example of CX that's so effortless, you hardly think about how you're using it.

Once you've placed an order, there's very little for you to do. You receive a link to track the progress of the order and change the safe place for delivery, if you want to. You may even receive a photo of where the package has been delivered.

The whole process is so seamless that the underlying complexity is invisible to you. But think of everything that goes into making this work:

- integrating the delivery system with the website
- sending proactive notifications and visual updates
- offering customers choice
- enabling quick access to support, if needed

These are all characteristics of proactive CX built around a well-designed customer journey that's been integrated with relevant technologies.

Once you understand why customers contact you in the first place, you can design digital environments that use data and automation intelligently to generate relevant, proactive content, and make it easy to break out to alternative channels.

Is automation used appropriately?

Integrate the automation of CX with the side where people engage with customers, and harmonize the information being fed into CX processes

Analytics, automation and AI have seen a huge focus as organizations strive to create personalized, proactive and highly effective self-service experiences that will displace legacy ways of doing things.

For most, however, the implementation has not matched the aspiration. Just 5.7% of AI/robotics users say customers rate their CX at a promoter level (against 12.1% overall).

Prestige brands and organizations that have optimized their CX strategies vote AI as the top factor to reshape their CX capability during the next five years.

The key is harmonizing these technology capabilities with people, operations and design – because there will be times when you need a human touch. It's when these elements are out of balance that performance and advocacy levels fall.

Be smart about where and how you introduce automation in your CX design, and which channels and technologies you use to interact with which contacts. An automated front end may not work for high-value customers or complex interactions, for example.

Do the hard work in the background so the front end is effortless.

High effort and high complexity are the domain of automation and AI. Keep things simple for customers and ease the workflow for agents.

How are employees informed and incentivized?

To change culture and behaviour, use the right metrics at the right time and place

Getting people to understand your CX strategy and be on board with what you're trying to achieve is an important step towards creating effortless CX that benefits both your customers and your organization.

It's the step after that – translating CX aims into practical actions – where many organizations falter.

Tracking of employee brand satisfaction is on trend, rising 22.2%, but just 25.6% of organizations ensure employees understand the big picture, the direction of the business and how they plan to get there.

Creating the right culture and behaviour requires two forms of metrics: those that inform behaviour and those that incentivize it:

- **Inform**: Send feedback from metrics such as Voice of the Customer (VoC) and Net Promoter Score (NPS) to every employee on the frontline. Structure it to clearly show how it applies to their role.

- **Incentivize**: Put effective measurements in place to drive the key performance indicators (KPIs) people are incentivized against. Top organizations identify a few key metrics that can apply to everyone in the organization and include these in their performance scorecards.

From aspiration to execution

To transform CX aspirations into effective execution, people need to know what to do, what they're being measured on, and how it all links back to the strategy.

Redefine your CX frontline to include people who design CX channels as well as those who answer calls and emails. Establish a clear line of sight between VoC feedback and how they put it into play.
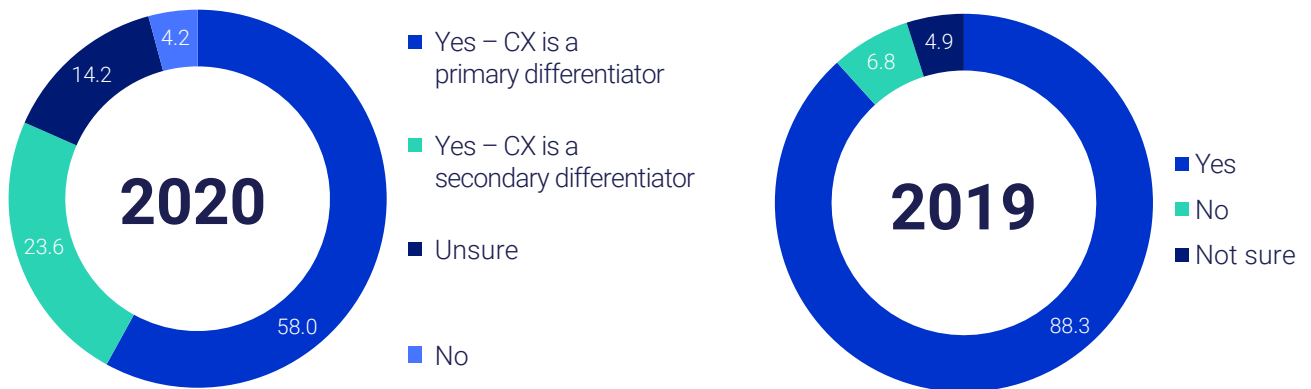
Bring your customer back into focus. And learn from leaders across industries who make it all seem so easy.

Part 2: Trends and analysis

1.1 CX as a competitive differentiator

> **81.6% of organizations acknowledge CX offers a competitive edge and 58.0% consider it a primary differentiator.**
>
> While headline appreciation levels have remained relatively consistent since 2015, organizations unsure of CX value have almost trebled, to 14.2%, meaning one in seven have doubts.

2020

- 4.2
- 14.2
- 23.6
- 58.0

Legend:
- Yes – CX is a primary differentiator
- Yes – CX is a secondary differentiator
- Unsure
- No

2019

- 4.9
- 6.8
- 88.3

Legend:
- Yes
- No
- Not sure

Does your organization consider CX to be a competitive differentiator? **n = 1,012**

Insight

CX a primary differentiator for those with optimized strategies

While most organizations (81.6%) conform to an ideology that CX is generally acknowledged to be a competitive differentiator, a deeper investigation highlights that just 58.0% see CX as a primary differentiator of their services. **Some 80.3% of organizations that have progressed to optimizing their CX strategy confirm CX as a primary differentiator** – confirmation that a well-designed, calculated and effective approach will provide good returns.

Perceptions of CX delivery as a differentiator vary quite notably across industry sectors, with highs of 90.5% in healthcare and pharmaceuticals and 89.3% in professional services. Outside of the public sector, where half fail to see the importance of CX, just 69.6% in the energy and utilities sector appreciate the value of CX.

There's been a significant rise in the number of organizations questioning the importance of CX. While the number saying CX is not a differentiator has fallen from 4.9% to 4.2%, the number now unsure of the value that can be associated with CX has almost tripled, to 14.2% (one in seven organizations).

Action

Leading brands create high standards and expectations

Customer choice for products and services has exploded in the digital world. Customers experience the sales and service of organizations in multiple industries almost daily. They also quickly and publicly express frustration when they can't get easy, personalized experiences, which in turn influences brand choice and buying decisions.

Brands with easy, personalized ways to buy and support products and services, using their customers' channel of choice, set the standards for others to follow. To meet customers' high expectations for this kind of experience:

- Understand what your customers want and collect VoC data at every point in their journey.
- Research what leading organizations across industries are doing and combine this knowledge with VoC data to design experiences that support and enhance your brand.
- Continually feed customer insights and best actions to your frontline delivery and digital design teams.
- Be a customer of your own organization. Walk the land you are asking your valuable customers to walk, and the opportunities for change and improvement will be clear.

1.2 Definition of CX value

> **Just 14.4% of organizations say CX forms a crucial part of organizational strategy.**
>
> Only 26.2% say the value of CX is fully defined and tracked. For nearly one in four (23.5%), there's no formal appreciation of its value or tracking of its contribution at all.

Category	Value
CX value is fully defined and tracked, and a crucial part of the organizational strategy	14.4
CX value is fully defined and tracked	11.8
CX value is partially defined and tracked	50.3
CX value is not formally defined or tracked	23.5
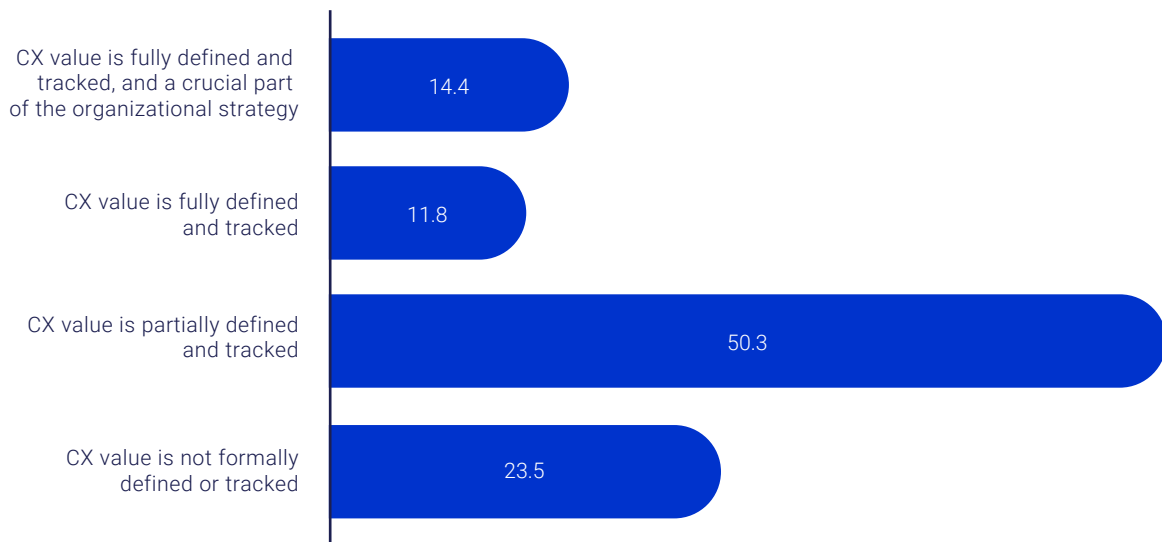
To what extent is the value of CX defined within your organization? **n = 969**

Insight

Value of CX significantly more common among prestige brands

Our 2019 Report highlighted a strong correlation between brand positioning and organizations that both define the strategic value of CX and recognize it as being crucial to enabling their strategy. That same pattern continues in 2020. **Over one in three (35.5%) prestige brands say the value of CX is fully defined and/or rank it as crucial, compared with 21.4% of mass-market brands, and just 9.1% of budget operations.**

Sales teams lag their counterparts in customer services operations, who are almost twice as likely to appreciate the value of applying such disciplines (29.4% versus 17.0% in sales).

At a sector level, the education, public sector and professional services industries stand out, as over one-third of operations (at 37.0%, 36.6% and 35.2% respectively) report that the value of CX is neither formally defined nor tracked. At the other end of the scale, those in banking and investment lead the way in being most likely to have CX value fully defined (34.8%), followed closely by media and communications (including telecommunications), at 33.7%.

Action

Value is silently won and lost on the currency of CX: act accordingly

The customer who makes decisions based on the wisdom of crowds is a citizen of the experience economy. Customers increasingly have access to ratings, reviews and social media posts that influence and inform their buying decisions, often in real time. Organizations that don't track or understand customer sentiment and feedback will be unable to adjust and, ultimately, compete for customer attention and loyalty.

Defining and measuring the value and impact of CX in terms of client retention, growth, repeat business and minimizing waste resulting from rework or poorly designed engagement, is fundamental to organizational success.

It's also critical that all employees understand and can deliver on the CX strategy and value proposition.
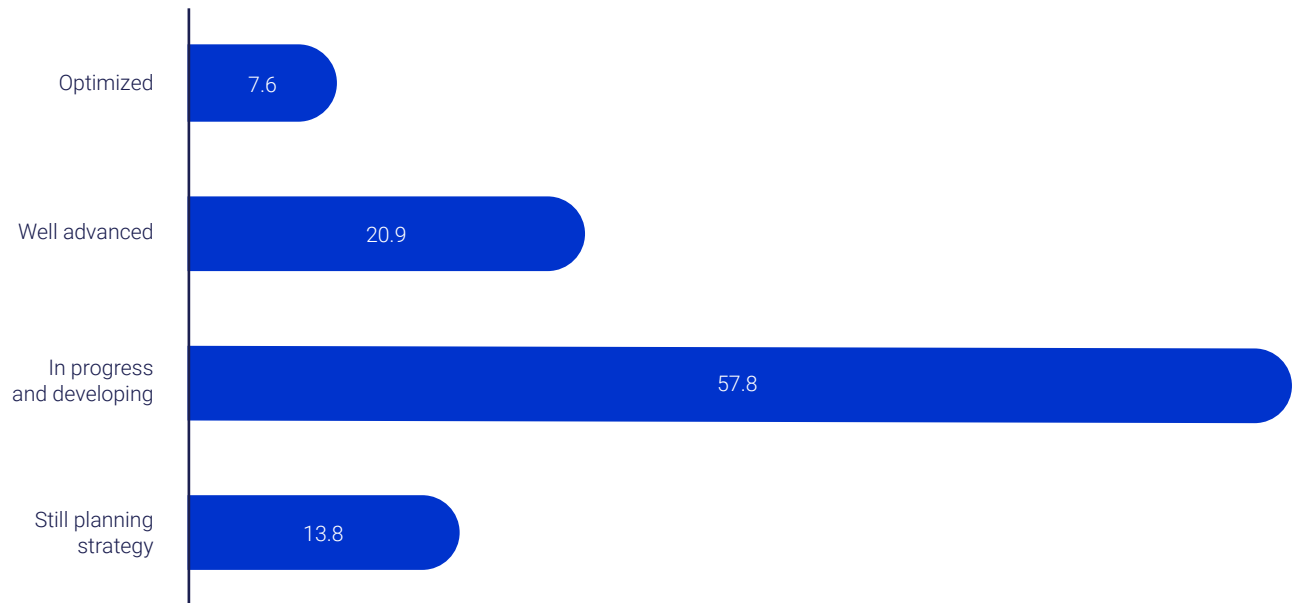
A CX strategy that's clearly defined and aligned throughout the organization is key to the reliable delivery of the brand promise.

A balanced scorecard that uses relevant CX data and is communicated across the organization keeps the customer top of mind and allows for rapid remediation of negative sentiment or impacts on reputation.

1.3 CX strategy progress

> **Just 7.6% of organizations rate their CX strategy as optimized.**
>
> Most CX strategies (57.8%) are in development; some 13.8% are still in planning and yet to be defined.

Optimized — 7.6

Well advanced — 20.9

In progress and developing — 57.8

Still planning strategy — 13.8

How would you rate the progress of your CX strategy? **n=1,018**

Insight

Most CX strategies still in development

Despite 81.6% of organizations agreeing that CX offers a competitive edge, with 58.0% of them considering it to be a primary differentiator, the hard reality is that most organizations, globally and by region, are still progressing their CX strategies. Overall, just 28.5% claim their CX solution progress is well advanced and/or optimized. Conversely, 71.4% are still planning or developing their CX strategy.

There's a clear relationship between the progress of CX strategy and brand positioning: 40.7% of prestige brands have well advanced and/or optimized CX strategies, versus 21.3% of mass market and 18.7% of budget brands.

Focus on CX strategy varies by industry, but not as widely as one may expect. Capabilities for an optimized approach peak at a still low 15.1% in the automotive and manufacturing sector, which compares well against 1.9% reporting the same in the healthcare and pharmaceutical sector.

Action

Good getting better while laggards fall further behind

Social, mobile, digital, data-driven and automation trends have changed how customers engage with organizations, creating a requirement for an effortless and proactive customer experience. But for the majority of organizations, a lack of strategy creates a worsening CX – particularly in the design, testing and review of solutions that contribute to internal objectives and meet customer needs.

Strategy should be a driving force to displace legacy processes and siloed behaviours, and build bridges between modalities and organizational structures. Boardrooms need to follow through on sentiment, support investments and ensure that CX strategies are properly formulated, managed and delivered.

Organizations that are committed, and planning and executing effectively, are widening the gap on others.

Those falling behind will only become more vulnerable
– hence the need to take these steps in order to act and
transform now:

- **Benchmark** against the best and copy to catch up.
- Have **zero tolerance** for customer engagement
  methods that aren't good enough.
- **Redesign processes** that currently frustrate customers
  and are inevitably expensive and unproductive.

1.4a Satisfaction with CX capability

Just 10.1% of organizations are now 'very satisfied' with their CX capability; the number that are 'fairly satisfied' has also dropped.

More than one-quarter (26.9%) are now dissatisfied with their CX capability; the number of organizations 'fairly dissatisfied' has increased by 17.1%.

Category	2020	2019
Very satisfied	10.1	10.3
Fairly satisfied	62.9	66.4
Fairly dissatisfied	24.0	20.5
Very dissatisfied	2.9	2.9

■2020   ■2019
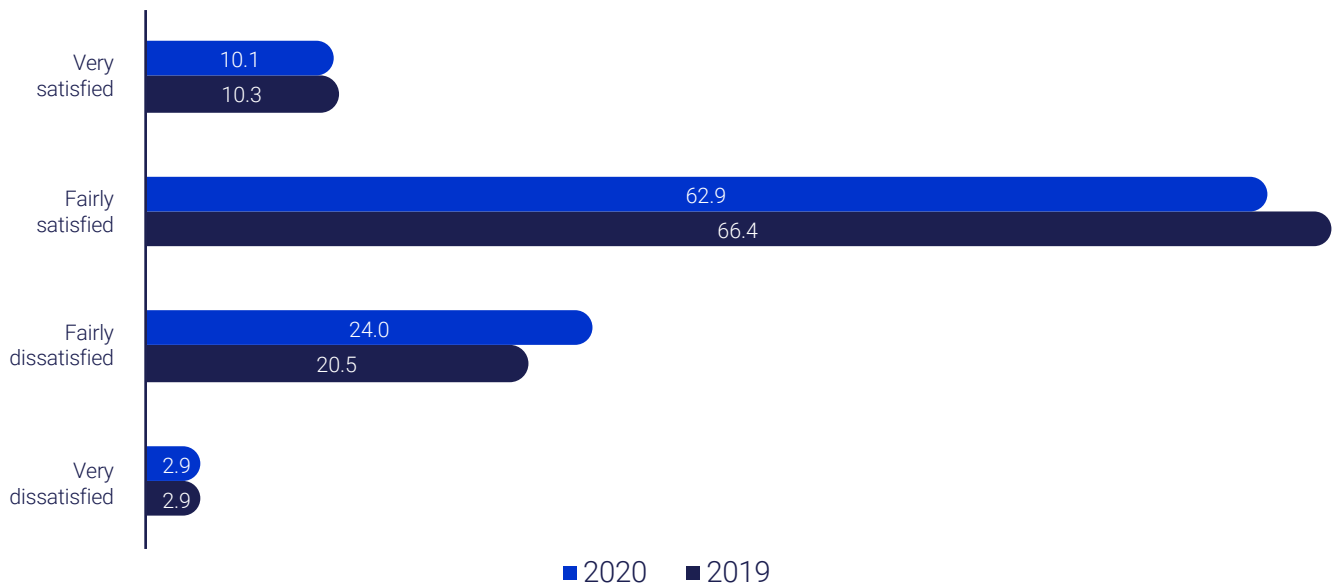
How satisfied is your organization with its current CX capability? **n = 998**

1.4b Customer rating of CX capability

Just 12.1% say customers rate their CX at a promoter level (10.9% in 2019).
The percentage of detractors is actually worsening; it's now at 42.9% versus 27.2% a year ago.
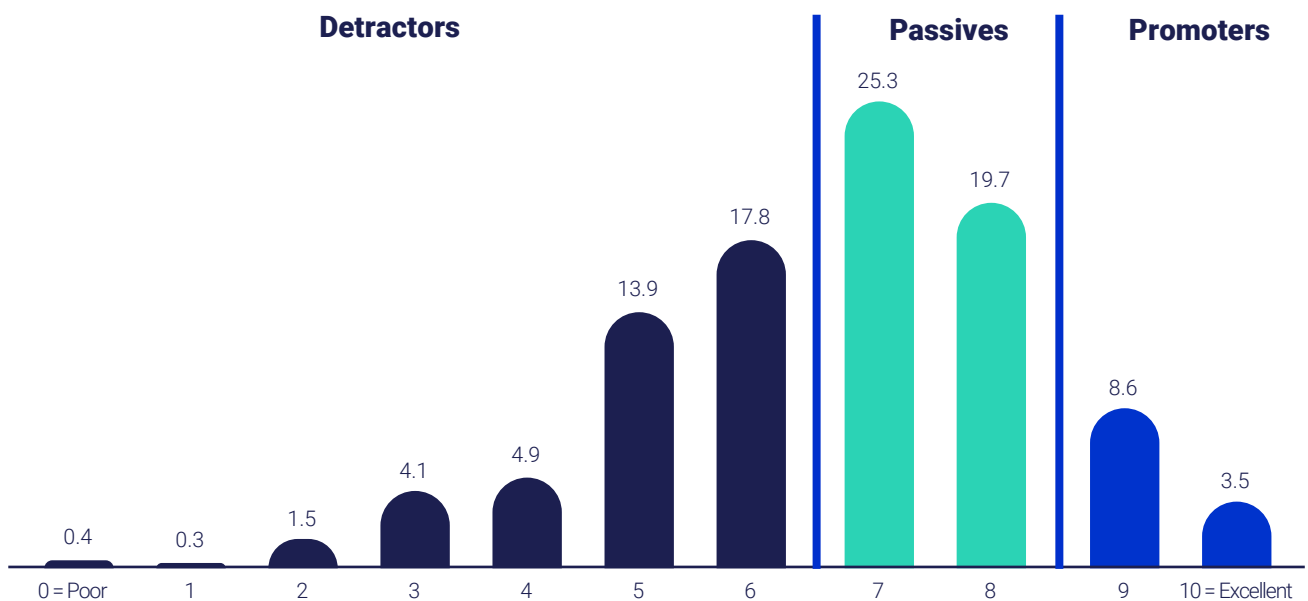
How do your customers rate your CX capability? **n=944**

Insight

Internal and external CX ratings mostly show dissatisfaction

Marginally lower but on par with 2019 performance, 10.1% of organizations report being 'very satisfied' with their current CX capability. These results align with customer ratings, as just 12.1% of organizations say their CX is rated at a promoter level (a score of 9 or 10 out of 10).

The percentage of organizations now dissatisfied with their CX capability has grown to 26.9%, a rise of 17.1% in the last year. These results are pulling through to customer perceptions, although not to the same extremes. User ratings of CX at a detractor level (a score of 6 or less out of 10) have worsened to 43.9% from 27.2% a year ago.

North America's reputation for aspiring to high-performance CX appears to be waning as Asia Pacific leads with having most organizations satisfied and/or very satisfied with their internal CX capability. Australia and New Zealand have the lowest levels of satisfaction, where just 3.4% are very satisfied.

At a sector level, companies operating in the sports, leisure and hospitality field have the highest comfort levels and satisfaction with their CX execution capabilities. Those in the public sector and education are most dissatisfied, at 46.5% and 51.8% respectively.

Looking at the customer and user-experience viewpoint, the energy and utilities sector has the fewest operators delivering services that earn a promoter-level CX rating (just 2.2%). The technology sector has most customers who are at a passive level (55.7%), with the public sector having the most customers at detractor level (66.8%).

Action

CX: high-cost platform for detractors or engine for advocacy?

Is the hard work of customer acquisition creating a high-cost platform for detractors of your brand, rather than a growth engine for advocacy?

For most organizations, it seems that delighting customers is not the focus. Customers don't feel the organization is connected through well-integrated

modalities and data, or that there's sufficient intelligence and knowledge available to resolve their issues and queries and deliver an effortless experience.

Increasing levels of detraction in CX indicate poor CX strategy and an inability to integrate services effectively for customers. They also correlate with predictions of organization relevance and survival in the experience economy.

However, there are some remarkable results from organizations that are well advanced in implementing or have already optimized their CX strategies. Internal satisfaction levels for those that have optimized their strategies is at 97.3%. For those that are well advanced, the number is equally high, at 94.6%. When compared with satisfaction levels of 41.3% for those are still planning their strategy, it's evident that the attention placed on CX strategy is justified.

Getting things right for customers should be the primary objective:

- **Create tangible metrics** that are irrefutably the cultural epicenter of the business and the basis on which people are rewarded.

- **Be focused and deliberate** about CX strategy and how each customer journey is executed. Remove complexity and frustration to build a progressive organization and culture.

- **Establish CX governance** mechanisms to ensure the organization executes the strategy. Board-level oversight is required to prioritize initiatives, filtered through the lens of CX strategy.

- **Establish core cross-functional teams** that collaborate, communicate VoC and related measurements, and ensure accountability for operational execution.

1.5a Top business outcome driven by CX

Organizations recognizing commercial benefits as the most important outcome of a CX focus have increased by 20.0%.

The most important outcomes are deemed to be improving customer engagement and value; appreciation of CX contribution towards creating trust and loyalty falls by 38.7%.

Business outcome	Value
Improves customer engagement	29.5
Increases brand value/differentiates us from the competition	17.4
Drives commercial performance	15.7
Builds customer trust	13.2
Creates customer loyalty	11.8
Helps attract new customers	10.0
Other	2.5
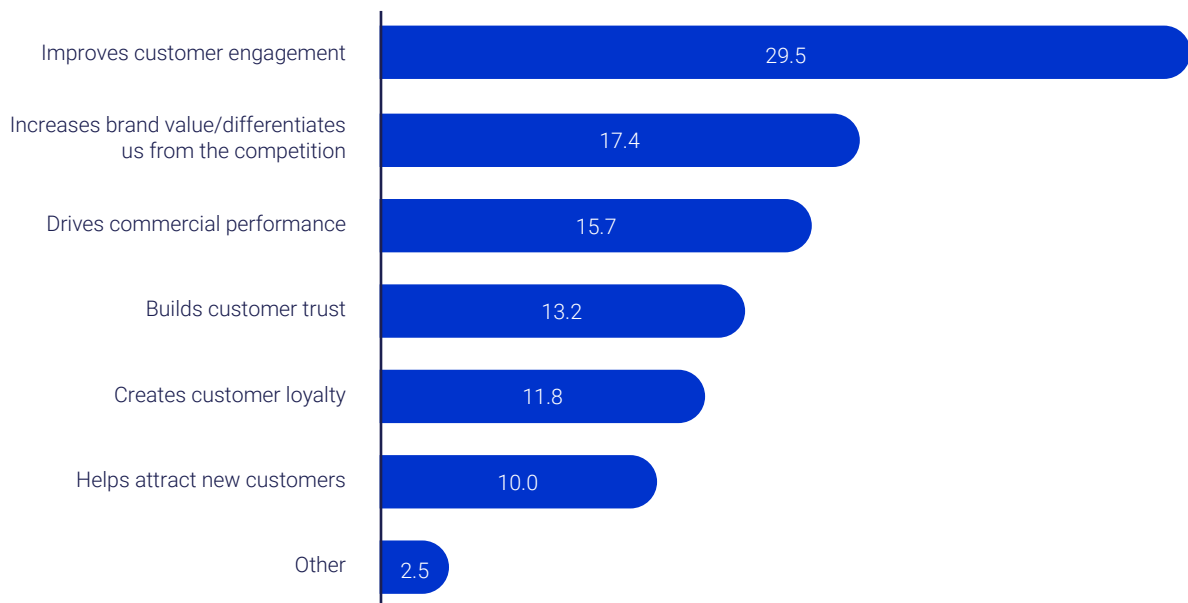
What is the most important business outcome delivered through your focus on CX? **n = 979**

1.5b Benefits evidenced by improving CX

> **Almost half (47.6%) can evidence a relationship between improved CX and enhanced EX.**
> Rising complexity is making it harder to track the benefits of improved CX capability: just 41.4% can demonstrate increased revenues/profits versus 64.1% in 2019 and 84.4% in 2017.

Benefit	Value
Increased customer loyalty (incl. value)	53.8
Improved employee experience	47.7
Increased revenue/profits	41.4
Reduction in costs	33.7
Unsure - we're unable to evidence benefits derived from CX	18.1
Other	6.0
None	2.0

In the last 12 months, what benefits can your organization evidence by an improving CX capability? n = **929**

Insight

Improved customer engagement the most-wanted CX outcome

The top business outcome desired by organizations from their focus on CX is improved customer engagement. It's voted the top objective globally by 29.5% – more than improving brand value and/or helping to competitively differentiate – and by every region except the Americas, where the impact on brand value and ability to differentiate via CX are higher placed.
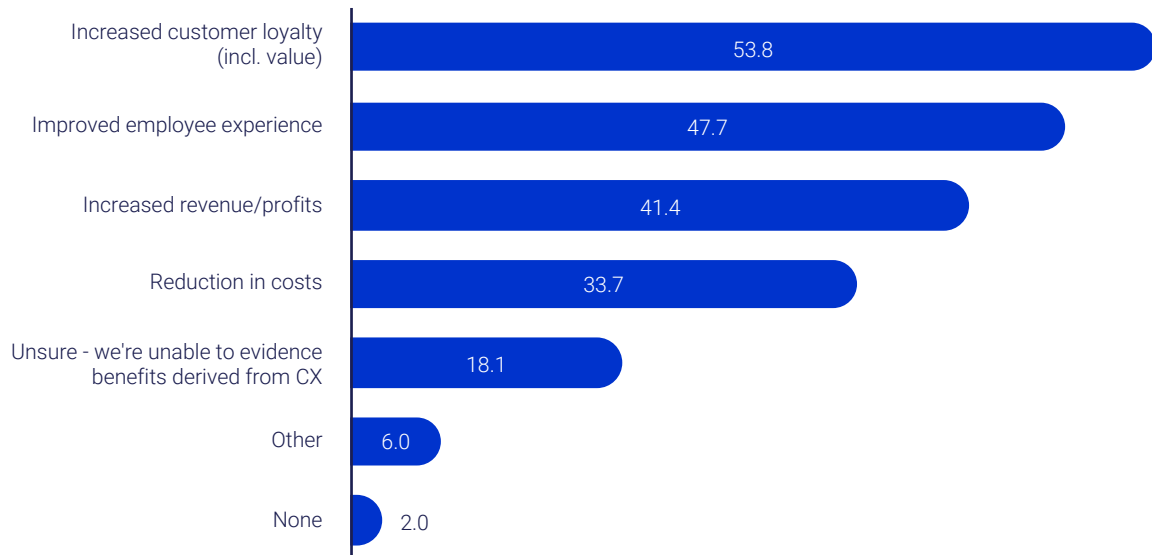
The public sector (42.9%) is ahead of other sectors in ranking customer engagement as their clear focus area, and significantly ahead of the global benchmark (29.5%). The public sector also ranks building trust with their customers as the number one objective of CX by almost three times (35.7%) more than that of the global average (13.2%).

For the third year in succession, customer loyalty has been ranked as the top benefit achieved in the last 12 months as a direct result of improving CX capabilities.

Customer loyalty goes hand in hand with positive engagements. It's clear and direct benefit of positive action and transformational change to customer experiences.

Organizations recognizing commercial benefits as the most important outcome of a CX focus have increased by 20.0%. It's now the number one driver for 15.6% globally and for those in the retail and wholesale industry (25.0%).

When combined, one-quarter (25.0%) of organizations rank building of customer trust and loyalty as their top business driver – a lower priority and down 38.7% from last year.

In light of the importance placed on CX by leadership and the commercial reality of being able to justify associated investments, it's a massive concern that nearly one in five organizations (20.1%) are unable to determine the benefits of their improving CX capability or have not realized any benefits at all. This isn't sustainable and is impacting 41.0% of those in the public sector, 31.0% in retail and wholesale sector, and 24.5% in healthcare and pharmaceuticals.

Action

Develop models to correlate CX with financial performance specific to your organization

The broader market perspective supports the relationship between CX and financial performance through investment funds that use customer satisfaction data to pick stocks. A study by Forrester[1] showed that the stock companies with higher CX outperformed both CX laggards and the S&P 500 over a 10-year period. This, combined with the desire to build customer trust and loyalty, make attention on and investment in CX an imperative.

Top-performing, agile organizations have mature data analytics capabilities able to support decisions and accelerate action.

Models that correlate CX with financial performance, that's specific to your organization can provide insights that allow the board to better see the benefit of investments and support future initiatives.

Leading indicators such as customers' use of self-service, average handle time for an interaction and mobile app usage can be correlated with reduced cost and increased revenue in return-on-investment models, while the experience is measured by VoC studies.

1.6 Responsibility for CX

Board-level responsibility for CX has grown and the number of organizations with a single point of accountability is rising.

Organizations with a separate manager responsible for each contact channel have dropped by 16.8% since 2018; the percentage of those that are unclear is also falling.

	2020	2019
Board-level executive	35.1	30.4
Non-board-level manager	25.9	25.9
Separate manager resonsible for each contact channel	23.3	26.2
No-one (ownership is unclear)	11.4	12.6
Other	4.4	4.9
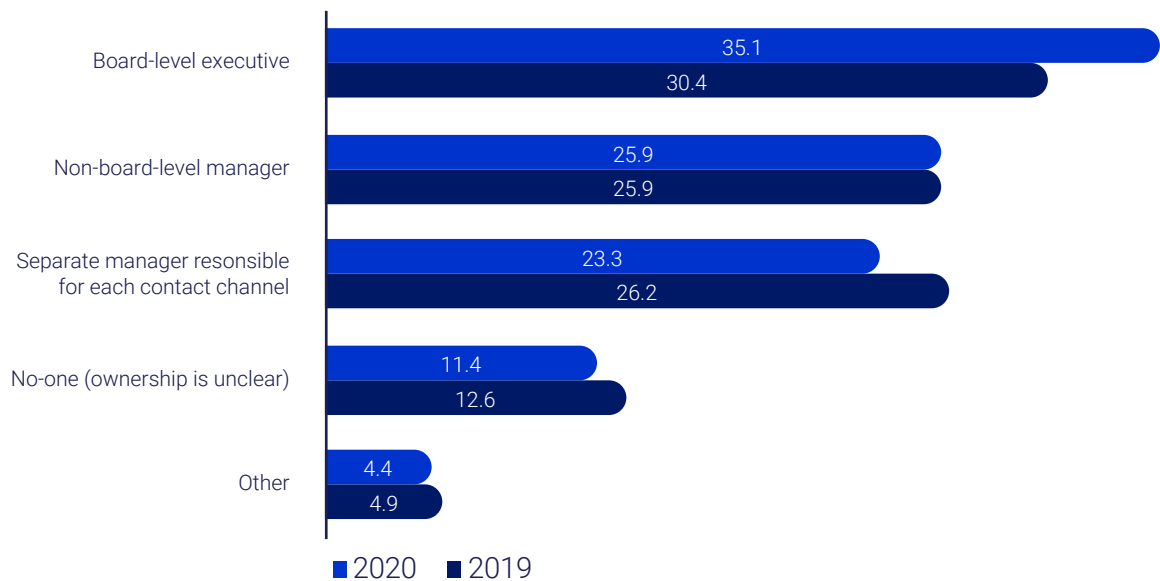
Who holds overall responsibility for CX within your organization? **n = 961**

[1]*Forrester, 2018. How Customer Experience Impacts Company Stock Performance*

Insight

Executive accountability for CX is rising

We previously observed a link between the expansion of CX channel offerings (now averaging eight options) and many organizations falling into a trap of silo management for each solution. In 2017, 63.9% had a single person accountable for all CX; in 2019, this figure had dropped to 56.3%. Encouragingly, as organizations actively remodel to better enable their digital transformation, that trend has now been reversed: this year, there's a drop of 11.1% in organizations with a separate manager responsible for each contact channel. The number of those saying no-one is responsible, or responsibility is unclear, is also falling.

Of the 60.9% of organizations that have a single person accountable for all CX, one in three (35.0%) say accountability is now at board or executive level – a rise of 15.1% from 2019. Results vary widely at sector level.

There's a direct relationship between empowered leadership and the extent to which organizations have progressed their CX strategies: 28.6% of those still planning their strategy have board-level accountability

for CX, compared with 42.0% that are well advanced and 44.3% that have optimized their strategy.

Action

Single view of CX and associated operational activities is critical to digital transformation

The silo model of disparate strategies and operational approaches in coming down in favour of a clear overall strategy and governance, with CX activities aligned across channels, and a full leverage of technologies. **Done right, this consolidated approach results in reduced customer effort, improved customer journeys and greater efficiency.**

Organizations need to establish CX governance that facilitates a top-down and bottom-up approach to embed CX in strategic decisions as well as day-to-day operational activities. At the core should be a CX-centric culture, nurtured by leadership, and an operational framework with strong employee engagement to ensure delivery.

1.7 Top performance measures for board-level executives

> **Board-level executives name CX as the top indicator of strategic performance for the seventh year in succession.**
>
> Financial performance continues to receive a strong focus: it's risen by 35.9% from last year and by 48.7% from 2018.

Measure	Value
Customer experience (incl. satisfaction)	66.2
Financial performance (incl. budget management)	50.7
Customer journey management (i.e. ease of doing business)	42.0
Digital transformation results	37.4
Brand strength (incl. market share growth)	36.3
Customer advocacy or loyalty (e.g. NPS)	33.8
Employee engagement	18.4
Cybersecurity threat protection performance	8.8
Other	2.7

What would your board-level executives say are the top three indicators of strategic performance? **n = 917**

Insight

CX the top strategic performance measure for seven years running

The importance of CX to board-level executives is acknowledged by every region and sector, with a few exceptions – mainly, being knocked into second place by financial performance (including budget management) for organizations in Europe, Australia and New Zealand, and in the education, energy and utilities sectors.

Financial performance is receiving increasing attention, rising by 35.9% from 2019 and 48.7% form 2018. Brand strength, a factor related to market share and growth, is deemed a top-three indicator for only 36.2%. It's deemed much more crucial for executives within healthcare and pharmaceuticals, where it's ranked second and a primary indicator by 56.3%.

Progression of digital transformation is selected as a top-three indicator of strategic performance by just 37.4% and ranked as the fourth most important performance factor. However, 58.2% of organizations that have optimized their CX plan deem it a top-three indicator, ranking behind CX as a deliverable of strategic performance.

Action

CX fuels the experience economy

The importance of CX as a strategic performance indicator is now a board and C-suite reality across regions and sectors. This is a reflection of how important market transitions such as digital and social feed into an experience economy that's fuelled by the sustainable energy generated by CX.

The increasing focus on financial performance relative to other metrics indicates the need for CX delivery and technology teams to capture data and measure the effectiveness of programs and digitization efforts.

Organizations reporting optimized progress are proving the value of ongoing investments and the commercialization of digital transformation.
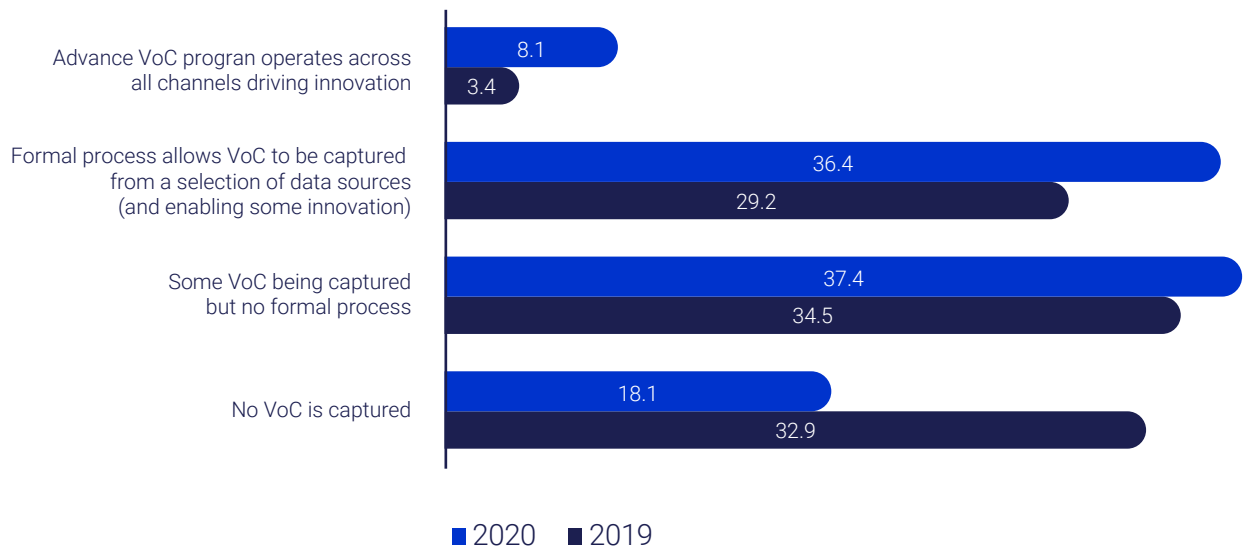
Create balanced scorecards that are visible to all functions and levels drive common insight (one version of the truth) and accountability:

- Identify the key performance indicators that correlate with CX for your enterprise.
- Capture data along the customer journey, providing closed-loop CX and financial data and analysis for action and ongoing improvement.

1.8 Capturing VoC to drive innovation

> **Rising by 36.5%, some 44.5% of organizations now operate structured VoC programs to drive CX improvement and innovation.**
>
> While nearly one in five (18.1%) don't capture any VoC feedback, it's still a 45.0% improvement from 2019's results; 8.1% (almost triple) now perceive their VoC program to be at an advanced level.

Advance VoC progran operates across all channels driving innovation
- 8.1
- 3.4

Formal process allows VoC to be captured from a selection of data sources (and enabling some innovation)
- 36.4
- 29.2

Some VoC being captured but no formal process
- 37.4
- 34.5

No VoC is captured
- 18.1
- 32.9

■ 2020 ■ 2019

How is voice of the customer (VoC) being captured to drive innovation opportunities? **n = 607**

Insight

VoC programs increasing in popularity

Structured VoC programs continue to trend and have increased in popularity by 36.5%, up to 44.5% in the last year. Fewer than one in five organizations fail to capture any VoC feedback, representing an improvement of 45.0% from 2019.

Investments in these programs are intensifying directly in line with the size of the organization (and by brand positioning). Formal VoC programs are used to drive innovation opportunities and help refine existing solutions in 38.3% of operators with 200 employees or less. This figure rises to 61.1% in those with over 5,001 employees.

At a sector level, there's an intriguing mix of catalysts behind areas where VoC focus is highest. Formal programs are being used by 65.2% of organizations in the energy and utilities sector (an industry high) – a vertical that has the fewest operators (just 2.2%) delivering services that earn a promoter-level CX satisfaction rating from customers, and where only 4.3% consider customer delight as a key objective of customer journey design. The sports, entertainment and hospitality sector has

54.6% seeking customer validations on service in an area where highly visible online reviews and reputation are increasingly considered as critical success factors.

Action

Customer feedback justifies commercial decisions

Organizations are realizing the commercial effect of CX on brand reputation and service efficiency. Improved CX also supports rate increases, as we see in the utilities sector, and the premium pricing prevalent among prestige brands.

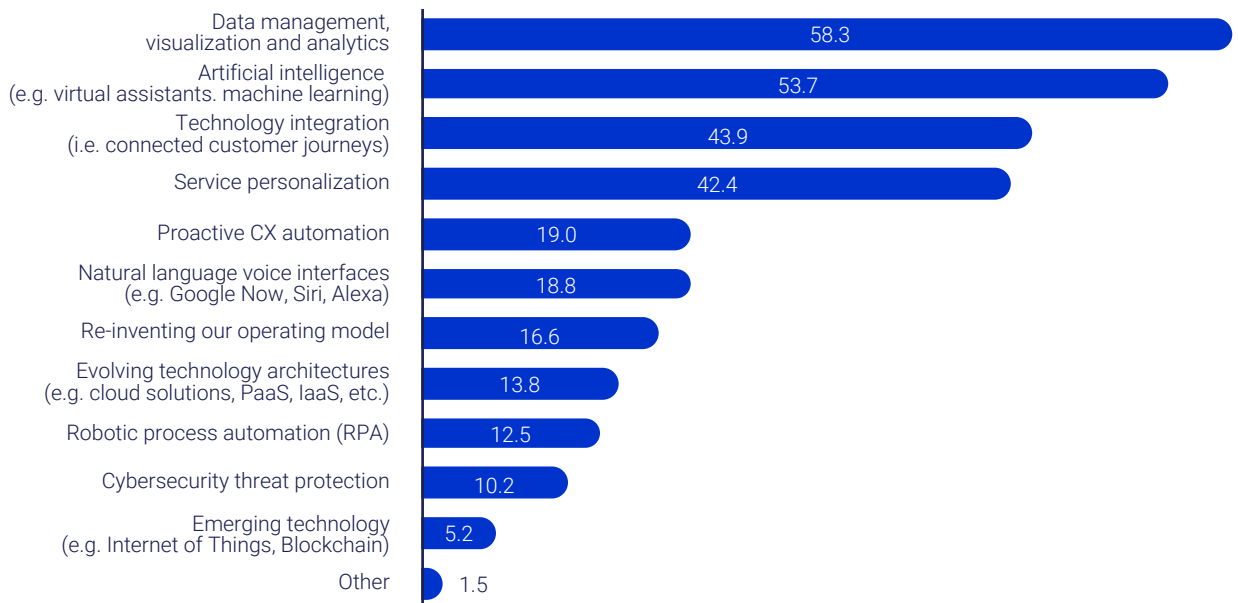**CX innovation relies on insight, analysis and action:**

- **Insight** from data gathered at all steps in the customer journey.
- **Analysis** by skilled data scientists or business analysts, in line with the CX strategy.
- **Action** by frontline agents and experience designers who have access to ongoing insights and analysis to deliver personalized, effective, consistent customer interactions across channels.

1.9 Factors that will reshape the CX industry in the next five years

Analytics is selected as the top factor that will reshape the CX industry for the fifth year running.

Artificial intelligence (AI) stays in second place, but is tracking to overtake analytics as the number one factor by next year; overall, the top focus areas remain aligned with our last review with four dominating trends.

Factor	Value
Data management, visualization and analytics	58.3
Artificial intelligence (e.g. virtual assistants. machine learning)	53.7
Technology integration (i.e. connected customer journeys)	43.9
Service personalization	42.4
Proactive CX automation	19.0
Natural language voice interfaces (e.g. Google Now, Siri, Alexa)	18.8
Re-inventing our operating model	16.6
Evolving technology architectures (e.g. cloud solutions, PaaS, IaaS, etc.)	13.8
Robotic process automation (RPA)	12.5
Cybersecurity threat protection	10.2
Emerging technology (e.g. Internet of Things, Blockchain)	5.2
Other	1.5

What three things are most likely to reshape your CX capability during the next five years? **n = 925**

Insight

Migration to digital platforms brings analytics front and center

The continued migration of human-led CX volumes to digital platforms only deepens the trove of data available for organizations. It's driven analytics, alongside data management and visualization, to be voted the top factor most likely to reshape CX capabilities during the next five years.

Analytics has now dominated the focus of most organizations for the past five years in a row. However, AI is trending hard and looks on track to overtake analytics as the number one priority by 2021.

AI remains the second hottest interest area, up 11.9% in 12 months. Some 53.7% of organizations now view it as a top-three dependency in the evolution of their business. It's the top focus for prestige brands, which typically invest most into CX journeys. It's also the number one focus for organizations that have optimized their CX strategies and for staff in senior management roles.

The top four standout areas remain aligned to our 2019 results. The sequence is unchanged, but service personalization is trending most, up 28.9% and a top-three item for 42.4% globally. It's receiving particular attention in the sports, entertainment and hospitality (63.0%) and retail and wholesale (61.4%) sectors.

Action

Top five factors must work together to create high-performance CX

This year's results point to the increasing number of analytics and AI solutions available on the market. They also reflect the success of innovative companies in achieving CX and efficiency results by delivering easier, more personalized experiences. These areas will quickly become competitive imperatives as consumers adopt and eventually demand this way of interacting.

High-performance CX is a product of all these factors. To succeed, organizations need to understand how to harness data, automation and the power of people.

Data is the wellspring of personalized and proactive customer engagement, which explains why analytics still tops the list. It's followed closely by AI, which is accelerating the sophistication of customer engagement and will change the shape of operating models.
Yet, existing users of AI/robotics are struggling to deliver and execute effective solutions: just 32.1% say AI and robotic solutions are meeting or surpassing expectations.

To achieve efficiencies and improve service experiences, leverage the power of AI through the intelligent combination, in real time, of analytics that deliver insights to drive automated and human interactions.
The underlying analytics layer delivers real-time actionable insights to drive both automated human-to-machine conversations and superior human-to-human contacts. Automation delivers a seamless, easy customer experience by reducing handle time and improving resolution rates and the agent experience.

1.10 Top technology initiatives

Analytics (including data management) remains the top technology trend being prioritized by CX teams.

The top five trend areas are dominated by digitalization (including AI) and systems to improve customer journey management; secondary considerations outside the top five are relatively unchanged.

Rank	2017	2019	2020
Data analytics/data management	3	1	1
Digital transformation (incl. new digital channels)	2	4	2
Customer journey management (designed omnichannel engagement)	1	3	3
Artificial intelligence (virtual assistants, machine learning, natural language voice interface)	Not asked	5	4
Self-service (incl. web, mobile, IVR)	Not asked	2	5
Robotic process automation (incl. proactive automation)	Not asked	6	6
Personalization of services	5	8	7
Cloud solutions	4	7	8
Technology consolidation/integration	8	11	9
Cybersecurity (e.g. preventing attacks/fraud prevention)	10	10	10
Internet of Things	12	14	11
Biometrics (facial, voice, fingerprint, etc.)	13	12	12
Other	11	15	13

What are the top three technology initiatives being prioritized by your CX team? **n=575**

Insight

For the last five years, analytics has been forecast as the top business trend that will reshape CX

It's been confirmed as the top technology trend for the last two years, evidencing an encouraging alignment of strategy with business and technology needs. It's notable that the value of analytics is recognized by every role group, from board members to supervisors and business consultants.

Personalization of services is ranked seventh and was voted as a top-three priority by just 21.4% of organizations (rising to a high of 32.4% for those in the professional services sector). We forecast activity here will intensify as results indicate it's now the fastest-growing trend and was ranked fourth as a factor that will improve CX in the coming five years.

While there's a degree of variation in specific priorities by sector, the top five trend areas remain relatively consistent in make-up, if not in sequence. They're dominated by digitalization, automation and systems to improve visibility and management of the customer journey.

Action

Combination of initiatives creates ecosystem for CX success

The results reflect current initiatives being undertaken and possibly where budgets were allocated in the last 12 months. Digitization and increasing channels, in particular, have been highlighted as a competitive equalizer, where once they were a differentiator and needed to improve service efficiency.

Journey management is supported by digitization, data management, AI, personalization and integration. To create an ecosystem for CX success:

- Identify the return on investment and dependencies of these initiatives.
- Create a prioritized roadmap, designed around the CX strategy, to guide investments, skills development and resource allocation.
- At a minimum, ensure you have clean, well-understood data, which is the foundation of success for many of these innovations.

1.11 Challenges inhibiting CX technology

Legacy systems and integration remain a common, but diminishing, challenge.

Skill shortages are a rising concern (up 13.7%) for organizations as CX technologies evolve and enter previously uncharted waters; approaching one-quarter (22.0%) say their focus is not on evolving but rather on maintaining business as usual.

Challenge	2020	2019
Securing budget/costs	48.1	50.1
Legacy systems inflexibility	46.5	54.4
Complexity integrating multiple technology systems	46.5	50.1
Ability to customize solutions effectively	36.9	32.7
Skill shortages (i.e. on emerging technologies)	29.0	25.5
Focus is on maintaing business as usual	22.0	22.8
No common strategy	18.7	20.7
Fear of making the wrong choice/ committing too soon	16.6	11.2
Cybersecurity threat	15.0	12.9
Other	5.8	4.5

■2020 ■2019

What are the main challenges inhibiting your CX technology strategy? **n = 572**

Insight

Customization, skills shortages and security are growing challenges

There's been no change since 2017 in the top five challenges affecting CX technology systems, other than the order in which they appear. While the core challenge set remains framed around cost, integration and system flexibility, their impact is slowly diminishing as organizations find workarounds.

Other than procrastination on CX decisions, growing areas trending as inhibitors to CX technology strategies are the ability to customize (36.9%), skills shortages (29.0%) and cybersecurity threats (15.0%). As highlighted last year, security is more a prerequisite to any digital solution than a specific challenge: if it's not up to scratch, it'll be a potential showstopper.

Almost one in five organizations (18.7%) struggle to advance their technology plans due to an absence of a common strategy; energy and utilities (30.4%) is the sector most affected. For another fifth (22.0%), the focus is simply on maintaining business as usual – the choice of 33.3% of public sector operations and more so in the Middle East & Africa (29.6%), Australia and New Zealand (31.0%) regions than any others.

Action

Top performers are creating easy, personalized, efficient experiences with technology as the enabler

CX is still considered a key differentiator by over 80% of organizations. The ability to execute the CX strategy and realize CX aspirations relies on the capabilities of a skilled, empowered workforce supported by simple, automated, agile processes.

Organizations need to create a defined and aligned CX strategy to guide a prioritized roadmap. This requires that they develop or acquire expertise and skills to create and integrate intelligent solutions that accelerate benefits and improve time to market.

Part 3: Four key takeaways

1   Execute a **deliberate strategy** to prevent detraction and enable differentiation.

2   Design **proactive and predictive** effortless CX by harnessing data and AI.

3   Never compromise CX.

4   **Develop competencies** in design, data analytics, data management, AI and processes

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How leading B2B companies organize for CX success

A recent study by Medallia found that internal structures and processes that diversify CX accountability throughout the organization are some of the most important factors in the success of B2B CX leaders.

CX accountability models

B2B companies use three types of models to structure decision-making and outcomes relating to customer feedback and CX programs:

Decentralized 19%	Centralized 26%	Mixed 48%
Accountability belongs to each unique business unit	Accountability belongs to a single team	Accountability is shared between a centralized team dedicated to the CX program and other business units that may collect and use feedback data in various ways

Depending on your structure and culture, any of these models could be right for your organization. However, Medallia found that **companies that use the mixed model are about 50% more likely to be CX leaders.**[1]

Probability of being a CX leader

Decentralized 15%	Centralized 27%	Mixed 24%

Executive accountability for CX

B2B organizations that hold more of their leaders accountable for CX achieve better outcomes. For example, companies that hold more than five of these executives accountable are about 65% more likely to be CX leaders than those that assign CX responsibilities to fewer than three (28% vs 17%).[2]

[1] *These percentages are average predictive margins from an ordinal logistic regression in which the dependent variable takes ^{3} categories: leader, follower, and laggard. The regression also controls for digital feedback collection; the types of action taken on feedback; the company's annual revenue and number of customers; the company's industry; whether it is a B²B-only or B²B/ B²C business; its primary sales model (direct to customer or partner/distributor-led); and its primary business model (products, services, or a mix). Differences between mixed accountability and centralized or decentralized models are statistically significant at p < .^{05}.*

[2] *The roles include CEO, COO, CMO, CRO/Head of Sales, Head of Product, Head of Account Management, Chief Customer Officer/Head of Customer Experience, and Head of Customer Service. These figures are average predictive margins from an ordinal logistic regression also controlling for digital feedback collection; the types of action taken on feedback; the company's annual revenue and number of customers; the company's industry; whether it is a B²B-only or B²B/ B²C business; its primary sales model (direct to customer or partner/distributor-led); and its primary business model (products, services, or a mix). The difference between less than three and more than five leaders held accountable for CX is statistically significant at the ^{10}% level (p = .^{10}).*

Sharing CX responsibilities across business units and top executives while maintaining a central CX team at the corporate level allows you to experience the advantages of both models. A central CX team that can coordinate goals, metrics, technologies and the adoption of successful practices across the company, while giving different business units some control over how CX activities are managed, may encourage innovation and allow for different operating needs within a business.

Mixed model allows global manufacturer to address customer pain points and uncover effective practices

A central CX team can help share and facilitate company-wide adoption of best practices that bubble up from CX efforts in different parts of the business.

One multinational manufacturer uses a mixed model that allocates responsibilities as follows:

Corporate CX team	CX lead within each business unit	Executive leader of business unit
• leads company-wide CX strategy • conducts training for customer-facing roles • manages the enterprise feedback management program • coordinates the sharing of best practices • provides support to different business units	• manages analysis, training, communication and the alert process for their business unit • drives improvements based on customer feedback within their own units • coordinates and shares results with the central CX team	• provides strategic leadership • held accountable for unit's operations and Net Promoter Score performance

After purchasing a company with a very successful CX training model, focused on people skills for field technicians, the company noticed that the new business unit had higher CX scores than its other divisions.

The central CX team began piloting this training program in other business units and saw improved feedback from customers who had interacted with the engineers involved in the pilot.

Armed with this data, the central team was able to make the case for a 1.5 day workshop for all 2,000 field service engineers, which ultimately resulted in a seven-point NPS increase for the engineering team in the first year of the program.

Medallia

2. Understand customers

Be personal and proactive. Harness data to act.

73.7% 73.7% of organizations operate without enterprise-wide CX analytics systems.

50.3% 50.3% are not aligning data capture needs with desired business outcomes.

32.1% Just 32.1% say they're able to perform analysis that considers data relationships across CX touchpoints.

Data management is one of the most important and innovative areas for organizations seeking to realize the benefits of a CX strategy. It's foundational to both new and familiar concepts in CX: the single view of the customer, omnichannel and the multi-experience environment, among others.

The more options customers have to engage with your brand, the more data they generate. Most organizations provide multiple channels for customers to consume their services. In addition to websites and smart apps, more organizations are now offering additional channels such as voice assistants (Google Assistant and Amazon Alexa).

To make sense of all the data these interactions generate, and to raise the bar in intelligent and productive customer engagement, focus on customer outcomes when deploying data management platforms. Also ensure that these platforms integrate this information and make insights accessible in a single ecosystem. **It's the only way to turn huge volumes of data into intelligence you can trust and act on.**

Part 1: Industry insights

Taking an iterative approach to implementing CX solutions will help you realize a return on investment, fast – provided you can use data to make improvements on the fly. This approach will go a long way to building an agile CX ecosystem that allows you to change direction as needed, always with a line of sight back to business outcomes.

How solid is your data foundation?

Data quality and governance are essential to creating CX with confidence

Every customer touchpoint produces data that can deliver insights to feed into your CX strategy ... if you can get to them. In many organizations, large data lakes filled with unanalysed dark data have become 'data swamps', making that almost impossible.

With only 58.2% of organizations having access to data visualization intelligence reports and dashboards, and 39.7% having access to big-data analytics systems, it's clear there's a limited ability to convert collected data into actionable intelligence.

Many organizations still have their data in silos and face significant challenges with data governance and quality.

The old saying, 'garbage in, garbage out', is appropriate here: if you have bad data, your analytics and insights will be flawed. If you can't trust the data you're working with, you can't trust the recommendations of the customer analytics systems that use it.

Clearing these data swamps is therefore critical to building a complete, enterprise view of your customers and business, across all data assets.

5 steps to becoming a more data-driven organization

Taking a data-driven approach to CX will require deep and lasting culture change.

1　Determine the value and relevance of data as it applies to your organization's strategy, performance, CX and employee experience.

2　Identify key personnel and executive sponsors to fly the data flag.

3　Work towards establishing a community of people who will build, retain and grow the organization's knowledge of data, data management and related processes.

4　Build an open-minded learning organization that's guided by agile and effective data governance.

5　Put data at the center of your organization to improve knowledge about your customers and processes.

Is there a clear line of sight between technology decisions and business outcomes?

A business strategy driven by data will ensure CX efforts point in the right direction

Without a clear view of how people and technology will combine to optimize CX, your efforts will likely result in customer frustration rather than satisfaction.

It's therefore critical to understand how CX fits with your overall strategy and define what 'better customer engagement' looks like for your organization, end to end.

Only then can you identify the building blocks needed to create it and develop an architectural blueprint to deliver it.

Take a long-term view and an iterative approach

- **Understand** where you want to be in the long run, then take small steps to get there so you can adjust and pivot as you go.

- **Implement** one thing at a time. Use insights from the data to see where you're getting results, and where and how you need to change.

- **Accept** that your strategy may have to change as you become better informed about what works well.

The number of organizations using CX intelligence to inform product and service improvement has almost doubled in the last 12 months.

Does your organization understand what data it has and how it is used?

To ensure your organization's CX strategy gets started down the right path, you'll need to take a good look at your data management practices

Traditional data management hasn't delivered agility, speed to delivery or innovation – all of which are at the heart of many organizational challenges.

Just 31.8% of organizations are leveraging technology to help integrate their data systems and enable a single view of performance.

Delivering integrated insights across all customer engagement platforms requires a fundamental shift in approach. This means putting real value on data governance from data capture to insights and the determination of action. Data-centricity needs to filter from leadership and operating models all the way through to the transformation of platforms, processes and data stores.

Understand your data before executing your CX strategy

- Where has your data come from (both internally and externally)?

- Who has access to and/or can change that data at various stages of its lifecycle?

- How can your data be used and in what context?

- When was your data collected and how are changes being managed?

- What has your data has been used for in the past, and how might it be used in the future?

Does your architecture support a connected ecosystem?

Business processes and business insights converge on a single data platform

Many organizations are now operating with a hybrid architecture, using different platforms for different functions (analytics, CRM, ERP and so on) hosted in the cloud or on premises.

Cloud solutions are often deployed from the perspective of flexibility, as they allow elastic bursting and scaling capabilities.

Only 23.4% of organizations maintain a data lake that is aggregated, managed and analysed by a dedicated team, ensuring an enterprise-wide view of data and performance correlations.

The key is to connect all that data in one platform, with intelligence at the center, in order to support both operational and analytical workloads in real time – converging business processes (run the business) and business insights (diagnose, predict and prescribe actions) to deliver business outcomes.

The connected CX ecosystem: converging operational and analytical workloads

- Use as much as you can out the box.

- Then build an open-ended platform architecture that brings it all together in a data-driven platform ecosystem that can send, receive and integrate data from the edge, and every application and API touchpoint, in real time.
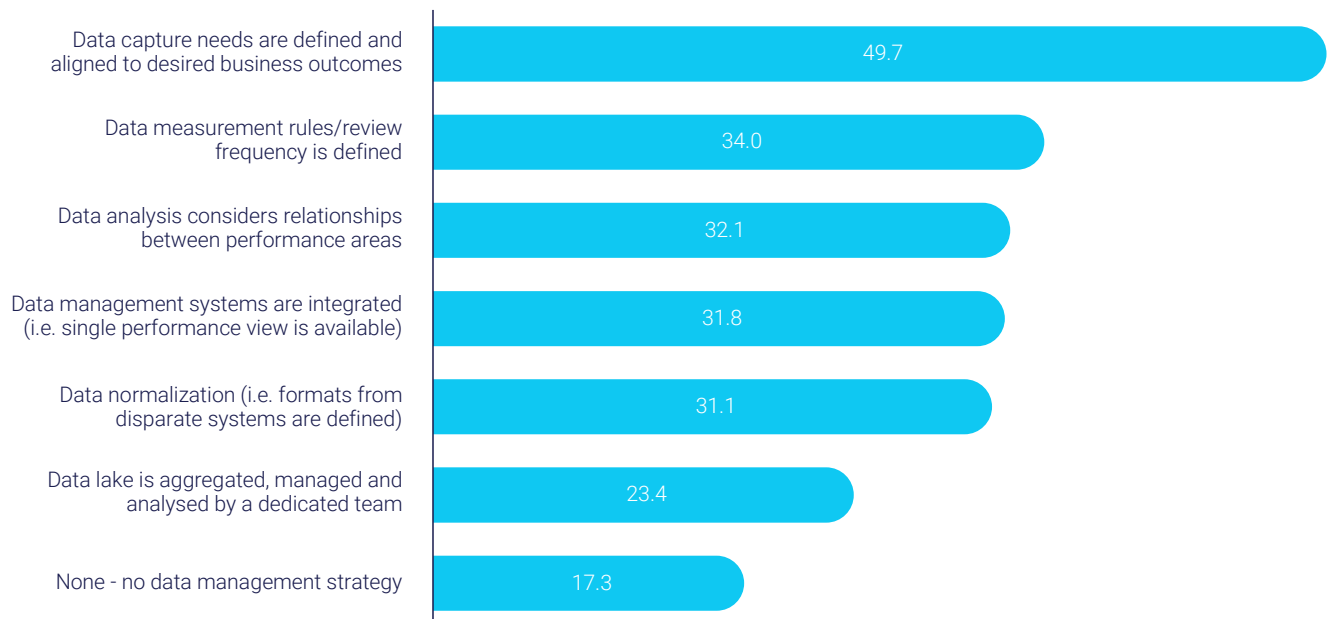
This fluidity of data will help you move the needle for the organization as you innovate and test new customer-centric approaches.

Part 2: Trends and analysis

2.1 Data management strategy

> **Just over one-third (34.0%) of organizations have rules to define how and when data is measured.**
>
> 68.9% don't include data normalization in their data management strategy; just 32.1% can therefore perform big-data analysis that considers performance relationships across multiple functions.

Data capture needs are defined and aligned to desired business outcomes	49.7
Data measurement rules/review frequency is defined	34.0
Data analysis considers relationships between performance areas	32.1
Data management systems are integrated (i.e. single performance view is available)	31.8
Data normalization (i.e. formats from disparate systems are defined)	31.1
Data lake is aggregated, managed and analysed by a dedicated team	23.4
None - no data management strategy	17.3

Which of the following form part of your data management strategy? **n = 636**

Insight

Strategies are in place but are full of holes

This year, 82.7% of organizations claim to have a data management strategy in place. At face value, that's an impressive number. However, a deeper review reveals that these strategies are filled with holes.

Data management strategies are lacking in many critical areas, including data normalization, aggregation and big-picture relationship analysis.

Less than half (49.7%) of organizations with a strategy in place have incorporated the need to define and align data capture needs with desired business outcomes. Two-thirds (66.0%) have yet to define rules for how and when data is measured. These are both crucial cornerstones for normalizing data from multiple sources and facilitating big-data analysis.

Beyond the self-made challenges created by variable approaches, formats and data management processes,

just 31.8% of organizations are leveraging technology to help integrate their data systems and enable a single view of performance.

Action

Ineffective data management means innovation will remain elusive

To create the ultimate CX, you need the full picture – which comes from having the right data that is both complete and correct.

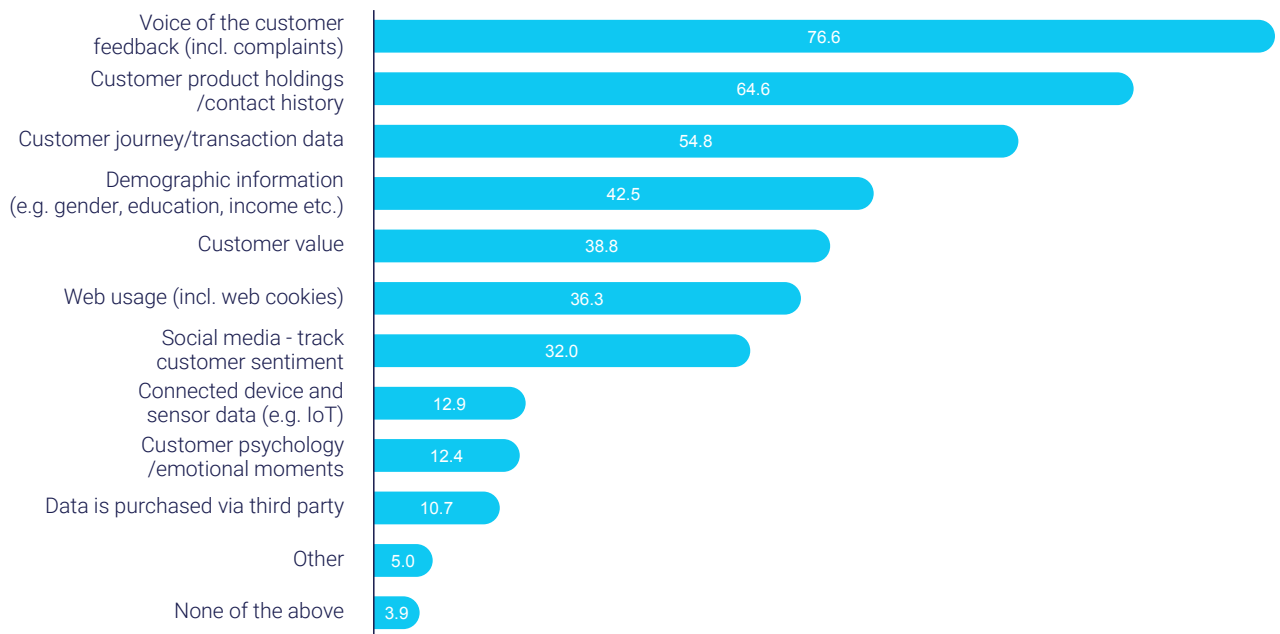Without a well-planned, well-executed data management strategy, organizations that need to innovate will fail to realize any value from the data they have.

Becoming a data-driven organization requires a deep and lasting cultural change. To create a truly data-centric culture, you must first determine the value of data and its relevance to strategy in your organization. Then, create a vision for how data can be used effectively.

2.2 What customer data is captured?

> **Voice of the customer (VoC) is the most captured and top data focus priority for the third year in succession.**
>
> Just over one-third (36.3%) of CX operations capture web-usage data, and under two in five (38.8%) collect and track data on customer value.

Category	Value
Voice of the customer feedback (incl. complaints)	76.6
Customer product holdings /contact history	64.6
Customer journey/transaction data	54.8
Demographic information (e.g. gender, education, income etc.)	42.5
Customer value	38.8
Web usage (incl. web cookies)	36.3
Social media - track customer sentiment	32.0
Connected device and sensor data (e.g. IoT)	12.9
Customer psychology /emotional moments	12.4
Data is purchased via third party	10.7
Other	5.0
None of the above	3.9

What customer data do you collect? **n = 644**

Insight

Voice of the customer feedback remains the first choice

For the third year in succession, VoC feedback is the leading choice of customer insight data captured by organizations. It's the most popular attention area in every region and sector. It's a measure that's applied almost as standard by customer service operations (81.4%), but where sales (66.7%) and IT support helpdesks (59.0%) lag.

The capture of customer journey data was highlighted as a key trend from our last report, where focus had doubled. It's grown a little more again this year. It receives most focus within the insurance sector, where it's being captured by 70.5% of organizations.

As digital transformation efforts take hold, the tracking of customer sentiment through social media is starting to receive more attention. In the banking and investment industry, it's being monitored by 43.6% of companies. It's a measure that receives more focus from mid-level and prestige brands than budget brands.

Action

Don't just capture data – do something with it

Customers want personalized experiences more than ever before. **Being able to understand the customer journey is critical to improving customer engagement, intimacy and, ultimately, advocacy**. This is especially true as organizations expand their multi-experience platforms and offer the ability to engage through different channels and devices.
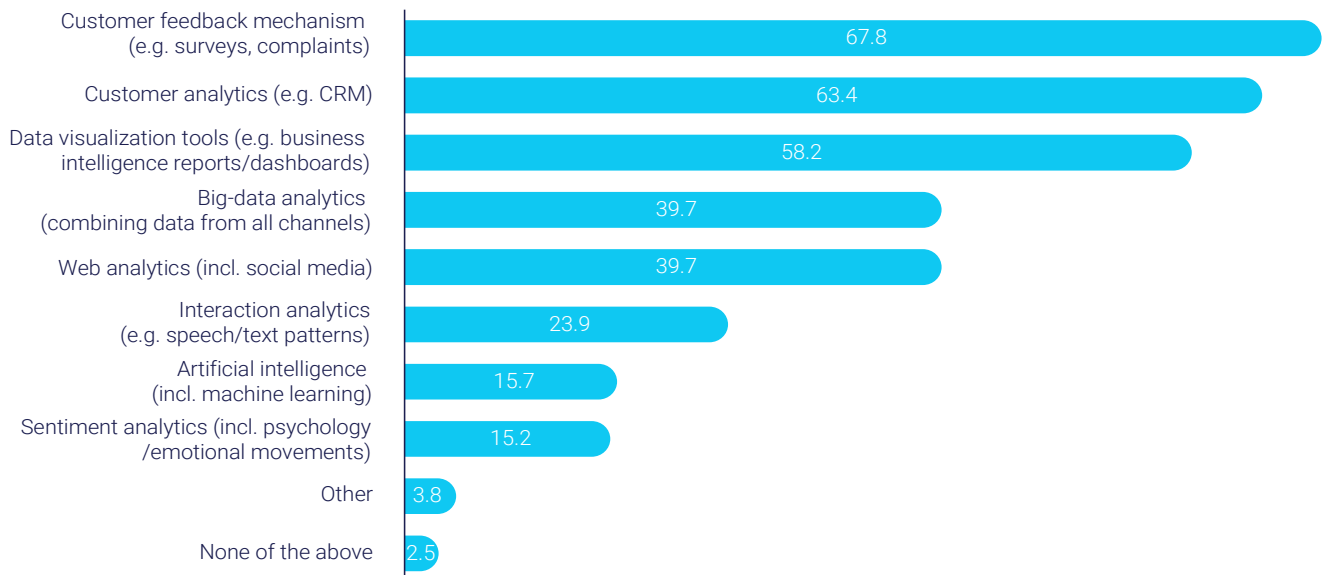
The value of data lies in connections, so it's important to capture and harmonize relevant data from all sources of customer contact. This includes external platforms, such as social media, where customers may be providing feedback on their experience with you and your competitors.

However, these insights are useless unless they are applied to better serve customers.

2.3 Systems to collect and interpret customer data

> **Deployments of analytics systems are still too sporadic and fragmented, with only four in ten organizations (39.7%) combining data from all channels through big-data analytics systems.**
>
> Almost six in ten organizations have access to data visualization tools (business intelligence dashboards) but over one-third (36.6%) operate with no customer analytics systems.

System	%
Customer feedback mechanism (e.g. surveys, complaints)	67.8
Customer analytics (e.g. CRM)	63.4
Data visualization tools (e.g. business intelligence reports/dashboards)	58.2
Big-data analytics (combining data from all channels)	39.7
Web analytics (incl. social media)	39.7
Interaction analytics (e.g. speech/text patterns)	23.9
Artificial intelligence (incl. machine learning)	15.7
Sentiment analytics (incl. psychology /emotional movements)	15.2
Other	3.8
None of the above	2.5

What systems are available to help you collect and interpret customer data? **n = 612**

Insight

Ability to convert data to actionable intelligence is limited

In tandem with VoC feedback being ranked as the top type of customer data being collected, systems to help collect and interpret customer feedback remain the most frequently deployed intelligence tool, albeit by just more than two-thirds of organizations (67.8%) globally.

With only 58.2% having access to data visualization intelligence reports and dashboards, and 39.7% having access to big-data analytics systems, **it's clear there's a limited ability to convert collected data into actionable intelligence, and that blinkered views are the norm**.

Given how critical data is to the enterprise, and the fact that analytics was consistently voted the top difference-maker in our CX surveys over the last five years, **deployments of big-data analytics systems still fall short of expectations**. Despite a 12.5% growth on last year's capability levels, three in five organizations (60.3%) still can't access a system that allows them to interpret relevant data combined from all channels. Like raw materials that need to be extracted and refined into products to be useable, data extracted from CX channels must be transformed into intelligence and useable insights to drive actionable outcomes and create value.

Seeing no progress at all from last year, one-third of organizations (36.6%) have no customer analytics systems. Deployment levels do increase heavily as CX strategies progress, but again fall short of expectations.

Action

Failure to use information is a primary reason CX systems fail

Having access to data and insights is critical to effective decision-making. It is vital to have the right data available, when it's needed, to execute optimal analytics and deliver a 'data experience' that meets the needs of each business user and decision-maker. For example, the C-suite often requires dashboards that show current and trending insights whereas a call center manager will require operational reports.
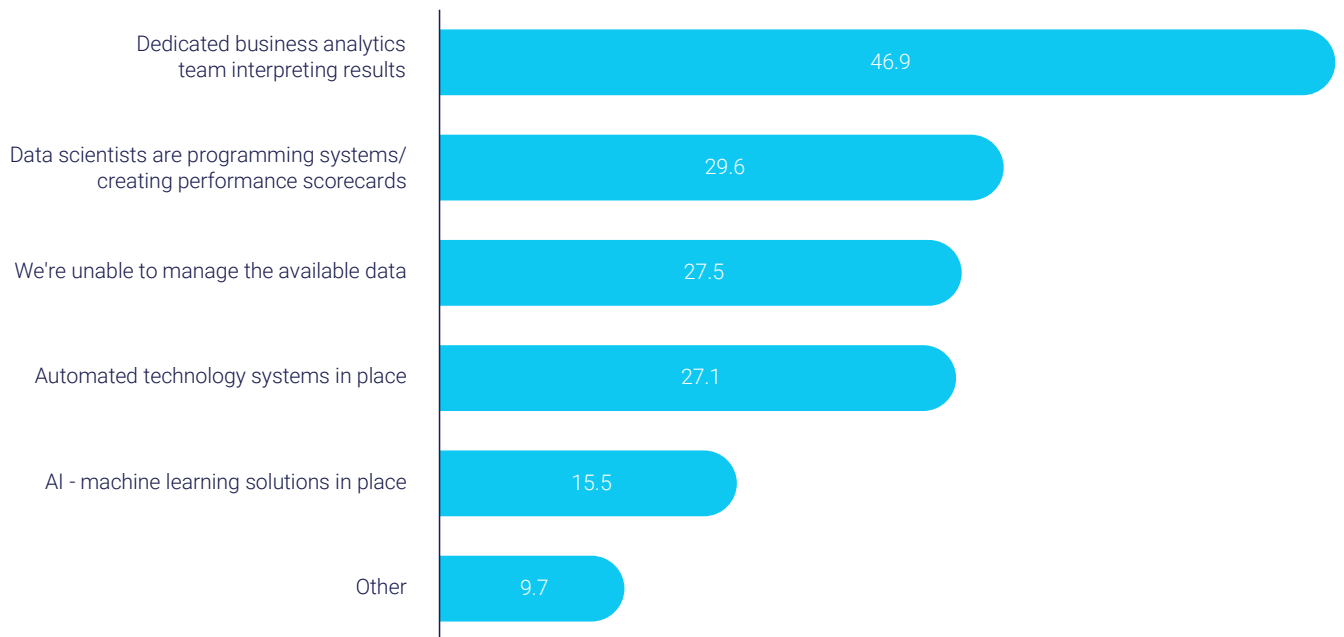
To establish which insights are required by the business to achieve the required outcomes, determine the key measures and data points that will provide a clear line of sight back to the business strategy and the people who monitor and make decisions on these insights.

You'll also need people to have the skills and authority to interpret and leverage the insights.

2.4 Managing increasing data from digital channels

> **Less than one in three organizations (29.6%) is using data scientists to program systems and create performance scorecards.**
>
> Less than half (46.9%) have a dedicated business analytics team; more than a quarter (27.5%) are unable to manage the insight opportunity arising from increasing digital data.

Category	Value
Dedicated business analytics team interpreting results	46.9
Data scientists are programming systems/ creating performance scorecards	29.6
We're unable to manage the available data	27.5
Automated technology systems in place	27.1
AI - machine learning solutions in place	15.5
Other	9.7

How do you manage the increasing volume of data that's emerging via digital channels? **n = 609**

Insight

Growing investment in data scientists, business analysts and artificial intelligence

To better leverage the abundance of data available from user footprints on digital channels, nearly one in three organizations (29.6%) are using data scientists to program information systems to improve intelligence and develop more insightful performance scorecards.

We expect this field to grow as organizations invest more in analytics to differentiate their services and ensure process design is led by data.

A wide spread of results at sector level shows varying attitudes towards the need for a dedicated, enterprise-wide business analytics team. Around half (46.9%) have a dedicated analytics team interpreting results, while 27.5% say they're still unable to manage the available data – particularly organizations in the public sector (44.0%).

The use of AI, including machine learning solutions, is already at 15.5% globally and even higher in Asia Pacific (29.0%). Certain sectors are quickly realizing the opportunity this may present. The automotive and manufacturing industry currently leads the charge in this regard.

Action

Optimal insights require smart data, not big data

As both the volume and diversity of data have increased, the skills required to harmonize and interpret it have become far more specialized.

Deriving optimal insights requires smart data rather than big data – and people who have industry knowledge and skills in emerging technologies. Because these skills are scarce, you don't want to waste them.

Data-driven organizations need clear leadership and advocacy to foster the right data and analytics culture.

C-level executives will need to:

- champion data
- spearhead the cultural change
- promote data as a strategic asset
- drive concrete outcomes

Investing in a core data team will help identify, create and manage AI applications that solve next-world problems.

2.5 Challenges affecting data analytics

More than one-third of organizations (35.5%) don't have the required resources for data analytics; a third (33.3%) don't have the required technology.

More than half (51.7%) are simply struggling to work out how best to use the data. Silo management is a top challenge for many (33.8%).

Challenge	%
Still evaluating and learning	51.7
We don't have the required resources	35.5
Data from each channel managed in silos	33.8
We don't have the required technology solutions/capability	33.3
Data privacy/compliance (e.g. GDPR)	24.6
Data sources/configurations too variable	24.2
We're struggling with too much data	21.8
Data security	21.5
None	4.1

What are the top challenges affecting your data analytics capability? **n = 633**

Insight

Organizations still on a learning curve

A common explanation for a less-than-optimized data analytics capability is that the organization is still evaluating and learning. This was cited as the top issue in 2019 (by 50.1% of organizations) and again this year, with a marginal increase (51.7%).

For the best, learning never stops. The group where results for 'still evaluating and learning' are highest, at 55.1%, is organizations that have optimized the progress of their CX strategy – for them, these results may well speak to a culture of continuous improvement.

Lack of the required resources is a problem for more than a third (35.5%) globally, but an even bigger issue in North America, where the figure rises to 44.2% and is more than double the level experienced in Asia Pacific (22.0%), where it's only the joint-seventh ranked challenge.

In Asia Pacific, fewer organizations (27.5%) than the global average of 33.3% say their data analytics capability is hindered by a lack of technology; instead, data security (at 31.3%) is one of the top challenges in Asia Pacific (this is more than double the figure in North America of 13.7%).

Action

Invest in data analytics capabilities to manage data as an asset

To become a data-driven organization, you need to manage data throughout its lifecycle and extract value at every stage.

Analytics will help you leverage data as an asset – leading to new opportunities, smarter business moves, strategic technology investments, higher profits, efficient operations, engaged employees and greater customer advocacy.
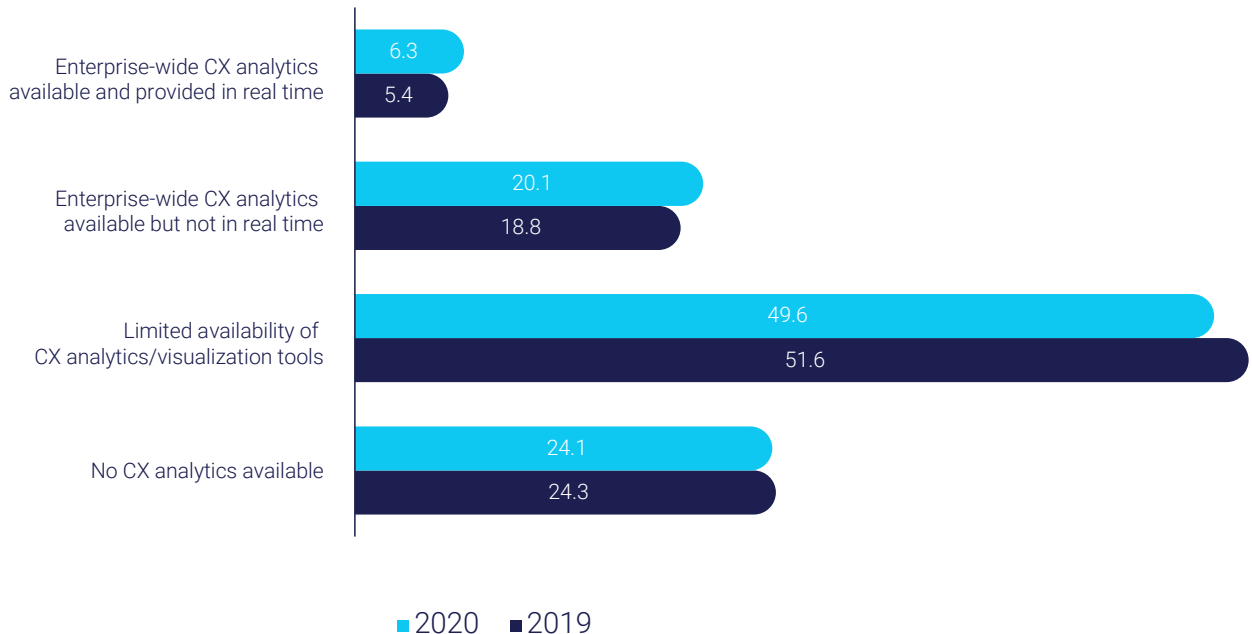
This requires transformation over time as you build trust in data and encourage the use of metrics rather than instinct to guide decision-making.

For most organizations, it will also involve a shift in culture. Invest in change management resources to be an active part of the CX team.

2.6 Gaining a consolidated view of CX data

Three-quarters of organizations (73.7%) are operating without enterprise-wide CX analytics systems.

Nearly one-quarter (24.1%) have no access to any CX analytics data; 6.3% enjoy enterprise-wide CX analytics provided in real time.

	2020	2019
Enterprise-wide CX analytics available and provided in real time	6.3	5.4
Enterprise-wide CX analytics available but not in real time	20.1	18.8
Limited availability of CX analytics/visualization tools	49.6	51.6
No CX analytics available	24.1	24.3

■ 2020   ■ 2019

How do you use analytics and data visualization tools to gain a consolidated view of CX? **n = 607**

Insight

Consolidated view of CX remains elusive

Organizations are still struggling to gain a consolidated view of CX through informed insights on end-to-end customer journey patterns and behaviour relationships. It's an area that's showing very little improvement, as the 2020 results effectively match those reported in 2019: just half (49.6%) have, at best, a limited availability of CX analytics and visualization tools that span interactions across all channels.

Just 26.4% of organizations (24.2% in 2019) have access to cross-channel analytics and data visualization tools that combine information from across the enterprise. Capability is generally related to company size – 37.8% of organizations with over 5,001 employees are able to get a consolidated view of data, compared with just 18.0% of those with between 201 and 500 employees.

A quarter (24.1%) of organizations have no CX analytics and cross-channel customer interaction analysis dashboard capability whatsoever, a slightly poorer showing than in 2019 (24.3%). **The opportunities here remain vast.**

Action

Run and observe, in real time, with the operational data hub

Now more than ever, providing the best CX comes before having the best product or service, or the lowest prices. This requires data fluidity: creating accurate, accessible and actionable data which enables visibility of all customer interactions with the organization, at every customer touchpoint.

Consider new approaches to organizational data fluidity, such as implementing a data hub architecture. This approach enables you to both 'run the business' and 'observe the business' by consolidating data from every channel and making it integrated, consistent, accurate and available in one place, to provide both reporting and transactional sources of truth.

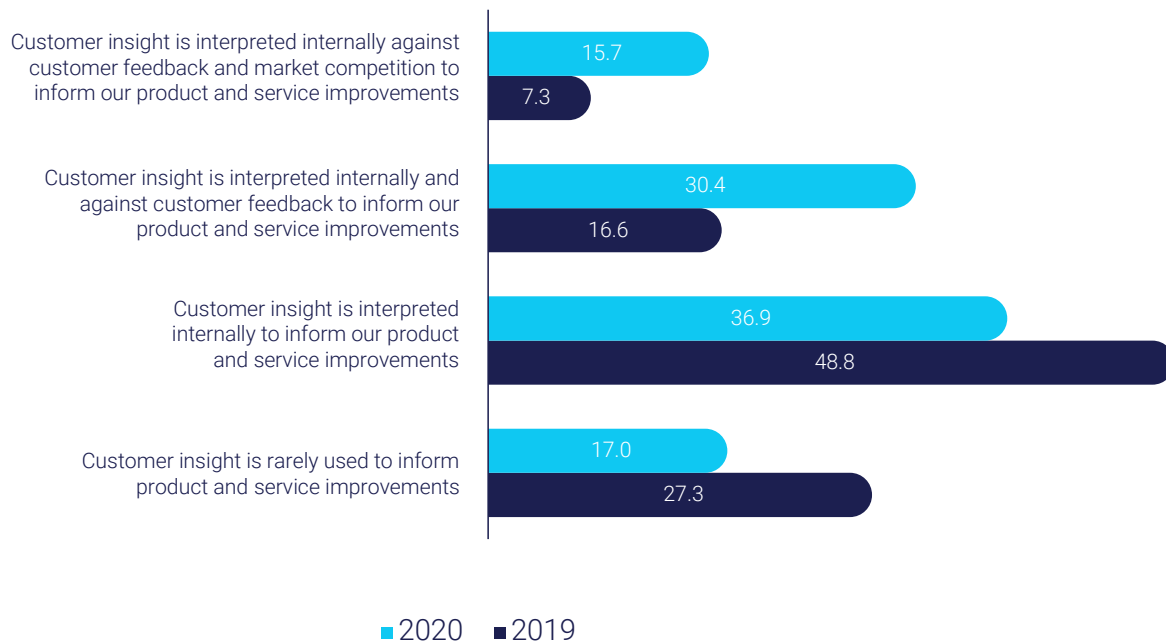**Create a data value pipeline to ingest, harmonize and integrate data from every channel and system.** Then, analyse the curated data to derive actionable insights through machine learning, natural language processing, artificial intelligence and data visualization.

This can be used as a foundation of a multi-experience platform that includes channels such as automated chatbots, APIs and smart apps.

2.7 Use of customer insight to inform business improvement

The incorporation of customer feedback into product and service reviews has almost doubled (from 23.9% to 46.1%).

The number of organizations that include an evaluation of market competition in their business improvement review process has also doubled in the last year.

Customer insight is interpreted internally against customer feedback and market competition to inform our product and service improvements
- 15.7 (2020)
- 7.3 (2019)

Customer insight is interpreted internally and against customer feedback to inform our product and service improvements
- 30.4 (2020)
- 16.6 (2019)

Customer insight is interpreted internally to inform our product and service improvements
- 36.9 (2020)
- 48.8 (2019)

Customer insight is rarely used to inform product and service improvements
- 17.0 (2020)
- 27.3 (2019)

■ 2020 ■ 2019

How is customer insight used to inform product and service business improvement? **n = 605**

Insight

Doubling up on CX intelligence

The number of organizations using CX intelligence to inform product and service improvement has almost doubled in the last 12 months, in all sectors. **This practice is in keeping with the appreciation of and ongoing focus on VoC feedback as a leading source of customer data.**

Of the 46.1% now incorporating customer feedback into product and service reviews, 15.7% will also consider market competition as part of their evaluation. Another 36.9% will incorporate their own interpretations of customer insights into product and service business improvement reviews, but without seeking specific feedback from customers.

The number of organizations failing to pay any regular attention to customer insights to inform product and service improvements has fallen by 10.3 percentage points, meaning that just one in six (17.0%) will develop products and services with little or no customer-based insight. Sales is the least likely function to include customer insight and/or customer feedback into business improvement programs.

Action

Use a range of feedback for maximum effectiveness

Using customer feedback data in remedial and proactive strategies is critical in creating amazing and consistent CX – which leads to happy clients, increased revenue and higher retention rates.

It's critical to obtain – and use – both direct and indirect customer feedback. Sentiment analysis of direct customer feedback through natural language processing is a good starting place. It's also important to integrate other data sources, such as channel interaction history and sentiment posted by customers on social platforms.

2.8 Primary indicators of CX and operational performance

Tracking of digital service adoption is low on the radar for most – just three in ten say it's a primary indicator of CX and operational performance.

CX-based metrics dominate the top five most commonly measured indicators; traditional internal metrics take the top three spots, followed by more customer-centric scoring mechanisms.

Rank	2017	2019	2020
CSAT (internal scoring mechanisms)	3	2	1
Average response times	2	4	2
First contact resolution	4	1	3
Net Promoter Score (incl. positive referrals/feedback)	6	3	4
Voice of the Customer (VoC) feedback	Not asked	Not asked	5
Quality control/process adherence	5	5	6
Customer retention/churn	Not asked	11	7
Sales performance (incl. customer value/leads generated)	7	6	8
Employee experience (EX)	9	9	9
Workplace productivity (incl. efficiency)	1	7	10
Digital usage/self-service completion	12	10	11
Budget performance	10	8	12
Customer Effort Score (CES)	Not asked	Not asked	13
Other	11	12	14

What are the primary indicators used to measure CX and operational performance? **n = 628**

Insight

Customer satisfaction and productivity metrics top the list

The top five metrics used to measure performance align well with executive-level strategic goals: CX, ease of resolution and financial performance.

Customer satisfaction (CSAT) is being assessed through bespoke and internal evaluation systems, Net Promoter Score (NPS) and/or VoC feedback. Productivity tracking preferences are wait times (efficiency) and First Call Resolution (FCR) (skills/process).

Digital transformation efforts are at the forefront of most organizations' strategic goals for CX. Operationally, however, digital uptake and completion (resolution) levels are ranked only eleventh in tracking CX and operational performance – although digital usage is the top-ranked metric overall for those managing physical sites (in-person support, retail stores, etc.).

There's no change to the overall top four primary indicators of CX and operational performance since 2019, though the order of those four has changed.

VoC feedback is the most common form of customer data being captured by organizations, but that same focus is not pulled through to operational targeting. It ranks only fifth as a performance measurement indicator and is deemed a primary indicator by just 43.9% of operations.

Action

Explore all available metrics to improve CX decisions

Having the right set of metrics can help your organization understand how well your engagement experience, channels and processes are meeting customers' needs. They also provide insights into areas of improvement that will increase cost effectiveness and customer impact. This will help drive overall success for the organization.

While CSAT (ranked 1) and NPS (ranked 4) are the most used CX measurements, other metrics have promise for tomorrow's companies. Digital usage/self-service completion (ranked 11) and customer effort score (ranked 13) can guide you in making better automation choices for CX and, in the end, lower operational costs.

2.9 How actual performance scores compare to targeted levels

> **There's a substantial performance gap between the top quartile of organizations and the industry average.**
> NPS results fall to the lowest levels in the last five years; falling short of the target for each metric is the norm.

Customer satisfaction
- internal scoring criteria (actual)
63.9
88.3

Customer satisfaction
- internal scoring criteria (target)
68.8
90.0

Customer Effort Score - CES (actual)
47.0
80.0

Customer Effort Score - CES (target)
55.1
85.0

Net Promoter Scores - NPS (actual)
25.8
50.0

Net Promoter Scores - NPS (target)
30.2
60.0

■ Average   ■ Leaders (top quartile)
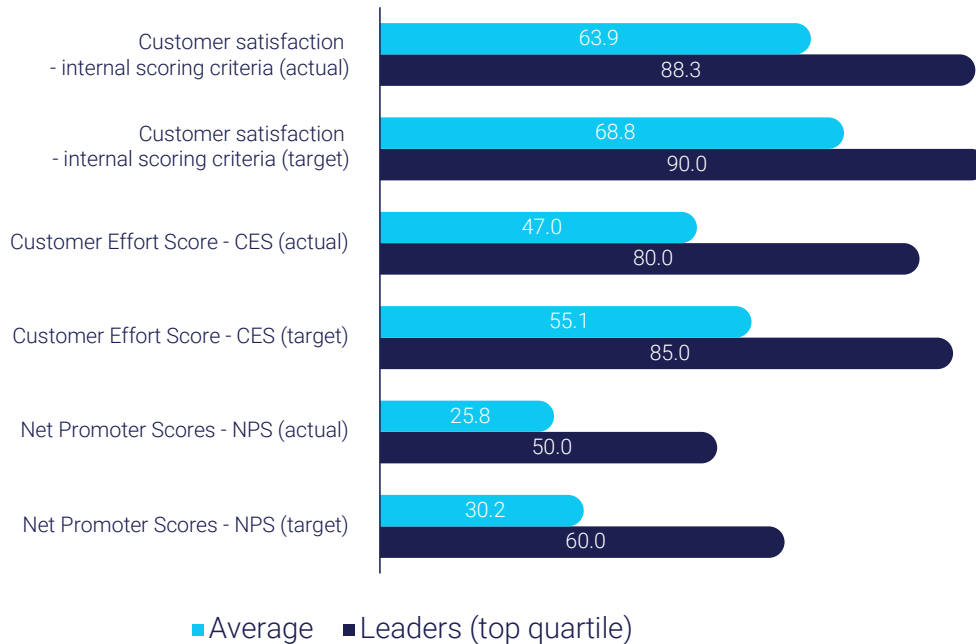
What is your actual versus targeted performance score(s) for? **n = 230**

Insight

Top performers also have more ambitious targets

Leading organizations are not only performing at a significantly higher level than the global benchmark, they're also setting their sights higher with more ambitious targets.

CSAT scores (the most favoured operational indicator of CX performance) from those who've optimized their CX strategy became even more of a differentiator in the last year among those in the top quartile. Customer satisfaction (using internal scoring criteria) improved from 85.0% to 88.3%, distancing the leaders from the average even further, by 24.4%. Top-quartile performers aside, CX is getting worse.

Nearly half (47.0%) of all organizations are embracing NPS as a primary indicator of operational CX performance. Here, the results reverse the trend for general (bespoke) CSAT scoring, where average benchmark and top-quartile results have fallen (from 39.0 to 25.8 and 60.0 to 50.0 respectively). **The global benchmark of 25.8 has worsened to the lowest level seen in the last five years**.

So far, just 20.2% of organizations consider customer effort scoring as a primary indicator for CX – despite ease of resolution being the most important factor impacting on CX. With leaders delivering scores almost twice that of the norm, it's clear that this metric warrants more attention.

Action

Leading organizations place value on data

Leading organizations are increasing the gap and outperforming their competition by using data as the lifeblood of the business. They value data in enabling them to adapt swiftly to changing circumstances, handle challenges intelligently, and identify and pursue new opportunities as they appear.

The next generation of CX will put an emphasis on top-level scores that can be interpreted to get to the issues that affect each customer. This is a data management challenge – which is why it's important to have an understanding of how and where data comes from, how it's accessed and changed, how it's used, and in what context.

Part 3: Four key takeaways

1 **Develop a data-driven business strategy to propel transformation.** Pay particular attention to CX and optimizing customer-centric operations.

2 **Identify key personnel and executive sponsors** who will build, retain and grow your organization's knowledge about the customer journey and experience data.

3 **Build an analytics team and platform** that supports customer insights and improves customer experience through the ingestion, harmonization and curation of data from all relevant internal and external channels and systems.

4 **Create measurements that provide insight into how customers are experiencing your company.** Key performance indicators should help you identify touchpoints that require attention to improve the overall customer experience.

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3. Personalize experiences

Deliver the exception, not the rule

76.8% The number of organizations advancing some form of personalization capability has surged, rising from 50.3% to 76.8% in one year.

27.7% Only 27.7% of organizations have access to context-based advice that directs relevant customer engagement based on recent contacts.

13.5% 13.5% have access to fully automated systems that enable proactive engagement; 3.5% of these have implemented predictive systems to help anticipate future needs.

Personalization remains critical to achieving customer connectedness and extending customer lifetime value. Customers want to feel that you're talking to them personally, not that they're on the receiving end of a mass campaign. It's therefore no surprise that marketing is increasingly at the center of customer relationship management (CRM).

You can no longer rely on a strong e-commerce presence or contact center alone. Your website, point of sales, in-store sales staff and back-office systems must be connected. This way, anyone who communicates with customers can understand who they are and what their experience with the organization has been like.

A marketing hub that connects these systems can gather information from all customer touchpoints. Underpinned by strong data tools, a logical layer can then apply the machine learning, neural nets and algorithms that will help employees respond with the right message.

Part 1: Industry insights

Although enterprise resource planning (ERP) has many moving parts, you're still working within a limited, defined set of boundaries. This is not the case with CRM. Because you're dealing with psychological entities – people – you need different rules for defining CX strategies with flexible methodologies.

Does the customer journey play a key role in your technology implementation?

Experience management will become increasingly important to operational and technology decisions.

Until recently, most businesses have based key performance indicators (KPIs) on operational success, as determined by sales figures and financial metrics.

What they've neglected to take into account and measure is how people actually feel, and how customer sentiment could affect the business in the longer term.

For now, less than half (47.3%) consider CX customer satisfaction data as a key measurement on the effectiveness of technology projects.

To make up for this deficit, there's now an increasing focus on experience management: combining customer insights with operational metrics to get a truer measure of success.

This practice will no doubt evolve as sentiment analysis becomes more sophisticated. It will extend to technology decisions, too. When evaluating a technology solution, its impact on CX will carry as much weight as potential cost savings and operational efficiencies.

Designing solutions for the customer journey

Survey tools and journey maps help you define the landscape where technology will be implemented to address any concerns about data privacy and security.

One of our clients, a company based in Sweden supplying innovative packaging solutions, approached us to work on a project with clear objectives: to digitize their customer experience and improve sales efficiency across channels.

The team we worked with had a good sense of why these changes were needed. They understood that sending untargeted information to their distribution partners would ultimately result in selling the wrong product at the wrong margin.

A big part of the project was therefore to make the buying experience digital by enabling context-driven communication between sales, service and marketing systems and the company's e-commerce site.

By focusing on the customer journey rather than on internal processes, it was possible to create clear, customer-focused journey maps that bridged the gap across all channels for both the sales force and distribution partners.
The technology components were then built to deliver the seamless experience the business wanted.

How wide is the gap between employee management and customer management?

If your employee management systems are successful, it's likely your customer management systems will be, too.

Both customer and employee management systems are designed to change human behaviour and optimize the performance of people – which is why it makes sense to merge the two areas.

The employee experience is integral to customer management. It's also a great testing ground for programs that deliver a personalized experience to promote specific behaviours and drive loyalty.

48.3% of organizations say poorly designed user interfaces are negatively affecting the use of digital contact channels.

Before taking solutions to the frontline of customer management, use small, employee-focused initiatives to test your theories about the customer journey and trial adoption with an internal audience.

Small rewards, big change

Whatever it is you're trying to improve or change in your organization – sales, product knowledge, customer service, safety, employee wellness – there's no shortage of creative ideas, plug-and-play apps and customized digital solutions available.

The choice of metrics and rewards are just as numerous, from points, badges and virtual high-fives to more tangible incentives such as coffee, merchandise, vouchers and even charity donations.

In addition to being used as part of a broader change management or employee recognition program, these initiatives can be an effective way of testing your journey-mapping and design process as well as your flexibility in adapting to changing behaviours.

How dynamic is your CX loyalty strategy?

Knowing what your customers value will help you create relevant experiences that foster loyalty.

Personalization is moving away from the era of big loyalty programs with many participating partners. Leading brands are replacing mass offers and promotions with a more flexible and personal concierge approach that delivers differentiated experiences with a personal touch.

The good news is that the CX world lends itself to flexibility. With a UX-driven front-end solution, you can plug back-end components in and out with relative ease.

Just how flexible you're able to be, though, will depend on the strength of your data and ability to derive meaningful insights from data analytics. You need to know your customers well enough to anticipate their needs and make appropriate suggestions without being intrusive or 'pushing product'.

33.0% of organizations are now using social media to track customer sentiment.

Predictive analytics and AI can be key differentiators in accelerating personalization. A reinforced learning tool that monitors the segment your customers operate in will show you when something in their behaviour changes, enabling you to respond with suggested products, services and user-interface journeys, based on previous interactions and purchasing behaviour.

Story-driven, journey-based and agile

- Use the skills of generalists and specialists across the organization to tell a story of who your customers are, paint a picture of the customer landscape

- Identify where processes need improvement and address the gap.

- Tell this story to your technical team so they can design a solution that allows you to recognize and respond to customers with the right message or targeted offer.

- Adopt an agile approach so you can get constant feedback on the user story and how it links to the ultimate vision for CX.
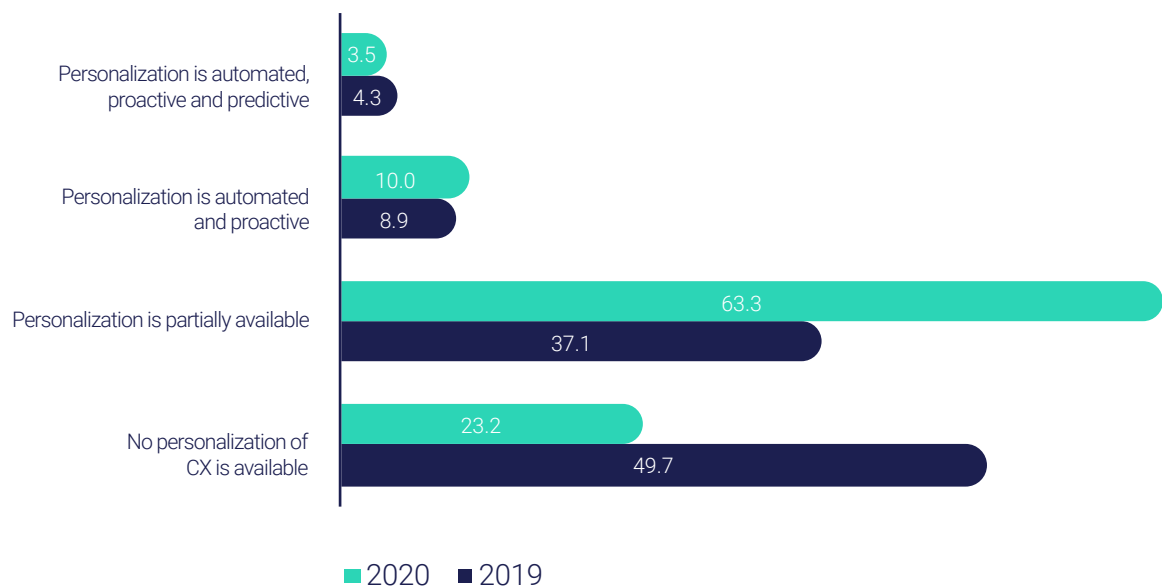
Organizations need a new narrative for which products and services are appropriate for individual customers. To show that you value your customers, present personalized offers based on what they value.

Part 2: Trends and analysis

3.1 Extent of ability to personalize CX

> **The number of organizations advancing some form of personalization capability has surged, rising from 50.3% to 76.8%.**
>
> 13.5% have access to fully automated systems that enable proactive engagement; just 3.5% have implemented predictive systems to help anticipate future needs.

Personalization is automated, proactive and predictive — 3.5 (2020), 4.3 (2019)
Personalization is automated and proactive — 10.0 (2020), 8.9 (2019)
Personalization is partially available — 63.3 (2020), 37.1 (2019)
No personalization of CX is available — 23.2 (2020), 49.7 (2019)

■ 2020 ■ 2019

To what extent are you able to personalize your customer experiences? **n = 630**

Insight

Service personalization rising but still mostly manual

Service personalization is again voted fourth as a factor that will most reshape CX within the next five years. Over three-quarters (76.8%) of organizations can now offer some, albeit mostly manual, level of CX personalization. Of those with a personalization capability, just 13.5% can leverage automated systems to enable a proactive and/or predictive service. The likelihood of systems being in place rises in line with the provider's market positioning and advancement of their CX strategy – 16.6% of prestige brands have proactive and/or predictive systems in place. This number rises to 33.3% for prestige brands that have also optimized their CX strategy.

The number of operators with no personalization capability whatsoever has halved in the last year and now stands at just 23.2%. Europe is the most developed region, with just 17.5% having no personalized CX available, compared with 32.0% in Australia and New Zealand.

Action

Shaping conversations around user requirements is a route to success

Customers need to 'get it' and 'get on'. Context-driven services focus the customer experience center on those needs. The challenge behind the scenes is capturing the prompts or scripts for these experiences and making sure they have a shared authorship.

The key is to balance operational procedures with running a business smoothly and profitably. If this balance is not struck, you will simply have nice-looking UX on top of clunky operational process.

Engage with a UX designer and make sure your technical team can think past a functional specification. Ensure the release of new features in CX functions is seamless on your platforms, then monitor and adapt. Make sure that prompts on all channels are data-driven. Include a strong analyst in your cross-functional team.

3.2 Using information to improve relevance and drive context-based customer engagement

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Just 27.7% of organizations have access to context-based advice that directs relevant customer engagement.

Almost one-quarter (23.6%) have no information and can't offer context-based CX.

Relevant information, context and advice are
available based on recent contact and in real time
- 7.0 (2020)
- 5.2 (2019)

Relevant information, context and advice
are available based on recent contact
- 20.7 (2020)
- 22.3 (2019)

Some information and context are available
based on limited customer history data
- 48.6 (2020)
- 45.7 (2019)

No information is used -
we can't offer context-based CX
- 23.6 (2020)
- 26.8 (2019)

■ 2020 ■ 2019

How is information used to improve relevance and context-based customer engagement? **n = 627**

Insight

Context-based engagement not keeping up with personalization capabilities

There's been a notable surge in capabilities to personalize certain elements of CX but the focus on applying context to interactions has not moved on at the same pace. Some 72.4% of organizations continue to engage customers without relevant information that's based on recent contact. This diminishes the quality of advice offered.

Competency in improving relevance and providing useful context rises in tandem with the type of brand (prestige brands leading) and advancement of the CX strategy. Over half (56.5%) of organizations with an optimized strategy will base CX on recent, relevant context. Most others are failing to capitalize on the access they have to usable data that could result in more individually personalized and meaningful CX.

Somewhat surprisingly, maturity levels for leveraging data to improve the relevance of any customer engagement are at their lowest within sales operations, where the benefit and return of context-based intelligence would arguably be highest. Just 20.4% of sales operations have access to information based on recent contacts versus 28.3% of customer service operations and 32.1% of IT helpdesks.

Action

'Show me you know me' … but don't be creepy!

This is the personalization challenge. In an age where individuals are leaving digital crumbs across multiple channels, businesses have to be clear about what they are going to do with data.

History and data quality aggregated across channels are the foundations of a successful CX approach.
To achieve this:

- Get the data right: go on a drive to improve data quality.
- Have enough history to build an accurate picture of the customer.
- Be bold in testing through target segments.
- Test what Seth Godin refers to as 'the minimum viable audience' - the smallest market your business can serve and still be sustainable.
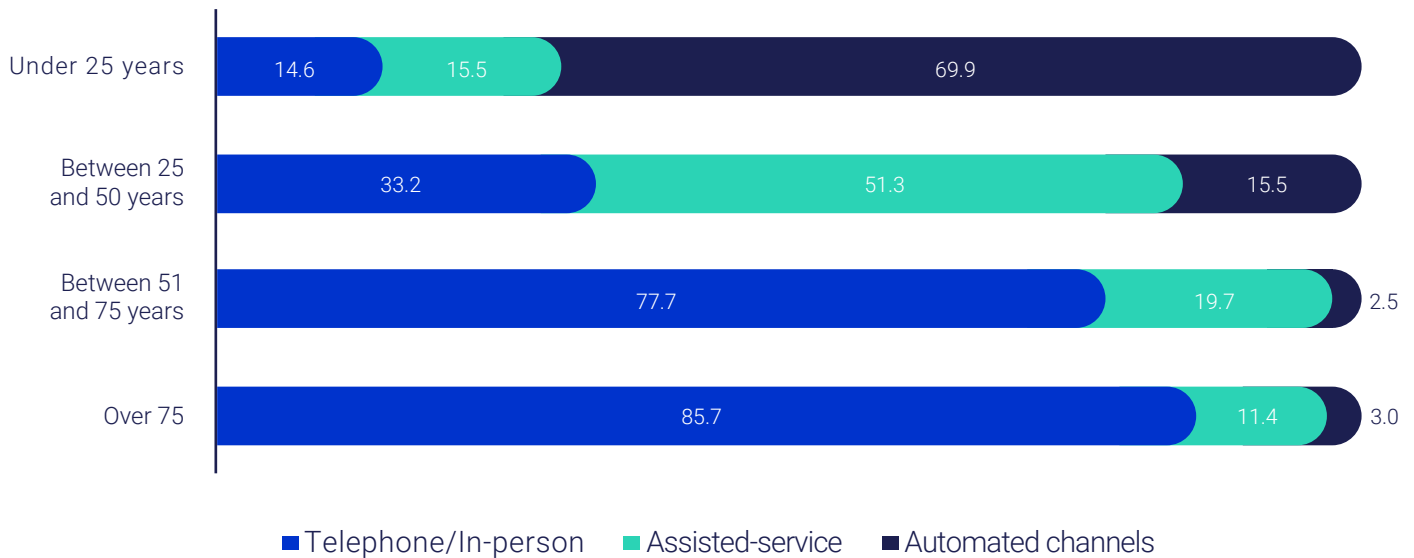
Check the software you have. Many applications are now cloud-based and evolving rapidly, with enhancements for embedded surveys, context-driven services and A/B testing on marketing platforms.

Work on small, targeted campaigns that use these services to see if the tailoring of UX or simplifying of surveys changes customer engagement.

3.3 Most popular channel types by age

Automated channels are still the number one choice for those under 25 and, for the first time, assisted-service channels become the top choice for those between 25 and 50.

The preference for assisted/automated CX continues overall and increasingly among mature users; telephone/in-person remains the preferred option for those aged 51 and up.

Age group	Telephone/In-person	Assisted-service	Automated channels
Under 25 years	14.6	15.5	69.9
Between 25 and 50 years	33.2	51.3	15.5
Between 51 and 75 years	77.7	19.7	2.5
Over 75	85.7	11.4	3.0

■ Telephone/In-person   ■ Assisted-service   ■ Automated channels

Which contact channel type is most popular with the following age groups? **n = 762**

Insight

Under-50s prefer fully automated or assisted-service CX

The 2020 results highlight a developing pattern on the age-profile preferences of service consumers. Fully automated or assisted digital-CX service options have become the most favoured contact channel for the majority of users under 50. Those under 25 have further cemented automation/robotic solutions as their number one choice, and for the first time those aged between 25 and 50 rank assisted-service as their number one choice of contact channel.

While telephone/in-person services remain a preferred option for those aged 51 and above, this group is also becoming increasingly more accepting of alternatives. We see this first in their use of assisted-service solutions (such as web chat and email), and through an increasing uptake of fully automated services, including rules-based virtual assistants, AI and robotic automation.

In all four age groups, user preference patterns are replicated across all regions and, some percentage spikes aside, across every industry sector – in spite of the poor customer satisfaction ratings automated and AI solutions currently receive (see Q 5.7).

Action

Channel options make business sense

Always-on is becoming the norm, as the oldest millennials will turn 40 in 2021 and the oldest Generation Zs celebrate their 24th birthdays this year. These generations blur the lines between the physical and digital world. They think and behave 'phygital'.

However, many businesses still derive much of their revenue from older consumers, who have more disposable income. For this reason, successful companies have a wide range of channels which are connected to each other, allowing consumers to move from channel to channel in a seamless way.

Support all age groups and preferences by providing CX experiences that range from self-service, virtual assistants and assisted-service solutions to phone/in-person services. **Missing support to an age group can significantly reduce customer satisfaction, which can cause a stir on social media or review sites and affect the perception of your brand.**

3.4 Channel preference by enquiry type

Automated and assisted-service have become the preferred channel options for most transactions.

Telephone remains the preferred choice for retention, escalations, disputes and proactive sales; full automation is favoured for order management, identification and verification.

Enquiry type	Telephone/In-person	Assisted-service	Automated channels
Retention/escalations/dispute resolution	71.4	20.1	8.5
Sales proactive (outbound)	63.6	20.6	15.8
Sales reactive (inbound)	54.8	29.4	15.8
General customer service	43.6	25.3	31.1
Identification and verification (authentication)	24.7	22.2	53.1
Order management (incl. processing and tracking)	22.0	26.9	51.1

■ Telephone/In-person   ■ Assisted-service   ■ Automated channels

What is your preferred contact channel solution to support the following CX needs? **n = 748**

Insight

Telephone/in-person support still acknowledged as effective

Generally, organizations are leaning towards automated and assisted-service channel solutions for most customer interaction, no doubt in appreciation of their cost-effectiveness compared with using a live CX advisor. Slightly higher than the overall global average, 46.5% of organizations that have already optimized their CX strategy, or are well advanced in executing their approach, believe telephone/in-person contact to be the most suitable solution for general customer service support.

However, 71.4% of service providers do still acknowledge in-person or live telephone engagements as being most effective for retention, escalations and dispute resolution, with over half saying the same for sales opportunities. Assisted-services are used mostly in a reactive manner on inbound sales interactions. The invitation is to turn CX into a coaching tool, not one that is reactive.

Fully automated solutions for customer authentication are the preferred choice for 53.1% of organizations, a number that rises to 64.2% in Europe but, curiously, falls to 47.1% in Asia Pacific. Order management (including processing and tracking) is also being provided through fully automated solutions by more than half (51.1%) of organizations.

Action

Context and urgency dictate channel of choice for customers

Businesses must find the right balance between human-driven and bot-automated interactions – bearing in mind that geographic coverage, 24/7 support and language support are core components of successful CX.

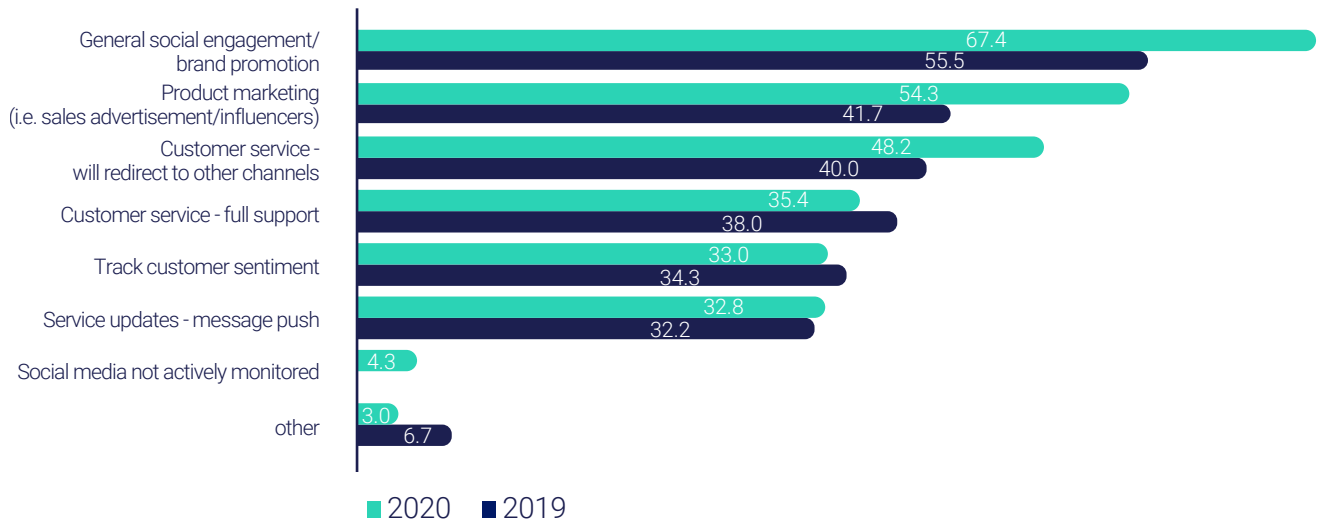Scalability is the answer, and it's achieved by using automated channels when they are efficient for consumers.

Self-service is suitable for situations that can be framed into well-defined and structured processes. However, the human aspect – having a person on the phone when trying to resolve a dispute – is a key element that businesses must have under control, while carrying the costs associated with it.

3.5 Use of social media in CX

Organizations are increasingly leaning on social media to promote their brands and build customer engagement.

More than one-third (35.4%) can provide full customer service support via social channels; a trending and preferred approach for almost half (48.2%) is to rather guide consumers to an alternative channel – a rise of 20.5%.

	2020	2019
General social engagement/brand promotion	67.4	55.5
Product marketing (i.e. sales advertisement/influencers)	54.3	41.7
Customer service - will redirect to other channels	48.2	40.0
Customer service - full support	35.4	38.0
Track customer sentiment	33.0	34.3
Service updates - message push	32.8	32.2
Social media not actively monitored	4.3	
other	3.0	6.7

■ 2020 ■ 2019

Users: How are social media channels being used in CX? **n = 506**

Insight

Social media progressing from product promotion to customer support

By the end of 2020, 84.8% of operators will be able to offer their customers social media as a CX contact channel option. While organizations are increasingly embracing social media as a vehicle to promote their brand, market products and drive consumer engagement levels, one-third (33.0%) are also using it to track customer sentiment that will help them better gauge CX performance and process issues.

Social media is also being used by 32.8% to improve CX via proactive notifications on service information and/or issues, thereby pre-empting inbound enquiries and keeping users informed. Most operators enable the initiation of a service request on a social channel. The management, response, execution and closure of the request then take place on a service management platform.

The number of organizations providing full customer service support via social media has dropped slightly, to 35.4%, but rises to 42.5% in organizations that have

optimized their CX strategy. In addition to over one-third providing full CX support (a capability that rises further to 55.3% within the retail and wholesale industry), another 48.2% use social media to guide and manage customer enquiries to another (less public) customer channel.

Action

Outbound communications are key to successful social CX

Being able to communicate to a group as well as an individual is a key reason to engage on social media channels. However, time is of the essence: you need to resolve an issue for the individual before the negative impact is transferred to a group. CX operators 'plugging into' social see it as an enabler. The game-changer is giving autonomy to employees that manage these channels to respond appropriately.

Analytics plays a key part in picking up trends and linking conversations so you can communicate to a group on social channels effectively. Spend some time on the efficacy of outbound communication to the many.

3.6 Factors negatively affecting use of digital channels

Poor user interface/experience replaces low customer awareness as the top factor affecting the adoption and use of digital channels.

Functionality not meeting user needs is a rising concern (up 27.0%) and is contributing to an increase in customer resistance to non-human channels (up 42.0%).

Factor	2020	2019
Poor user interface/experience	48.3	35.1
Customer attitude/resistance to non-human channels	44.6	31.4
Customer awareness of solution	43.7	56.9
Channel functions fall short of user needs	38.1	30.0
Respone times too slow	29.2	18.2
We are not active on the customer's preferred channels	19.3	20.9
Other	7.5	7.0
None of the above	4.7	8.0

■ 2020   ■ 2019
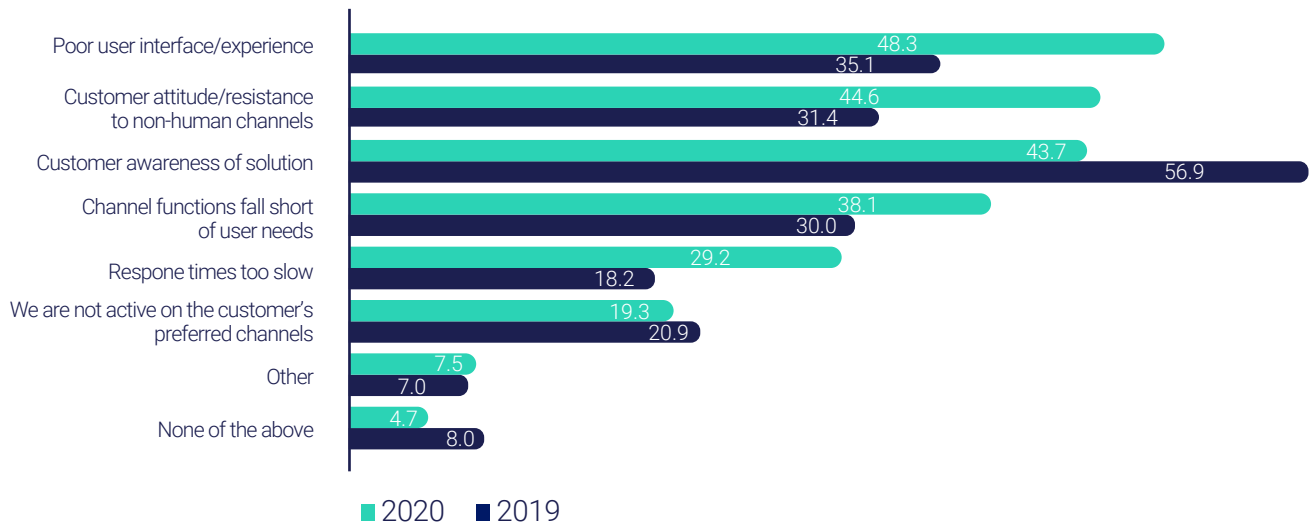
What factors are negatively affecting customer usage of digital channels? **n = 783**

Insight

Poor design has a big impact on CX

There's been a large increase in poor user interfaces negatively impacting customer experiences, with 48.3% of organizations saying this is negatively affecting the use of digital contact channels. The decrease of CX teams giving input into the design and approval of new technology solutions is undoubtedly a factor in this development, with just 44.9% being fully involved in or responsible for the design of their own technology needs, and even fewer involved in the approval stage.

Given the 27.0% rise in digital channel solutions that fail to meet user needs, it's not surprising that customer resistance levels to some digital channels has grown to 44.6%, affecting business cases and returns on investment.

Customer awareness of solutions is improving.

The number of organizations identifying this as a problem area has dropped by 23.2%. However, customer awareness remains the third top challenge overall and is the main issue for organizations that have optimized their CX solution strategy but have yet to inform their customers, allowing them to benefit from the new solution.

Action

Make sure the film is the same as the book

Much has been written about blended retail, where the idea to buy may start on social media, then be reinforced by the online shopping experience and redeemed in store. **The key is that CX should be consistent both in-store and online.**

An interface design based on either looks or brutal efficiency, rather than an audience, is unlikely to delight customers. Content-driven services on many e-commerce platforms can tailor the online experience, but that alone does not crack the nut. Look beyond what the tool can do to what the customer wants improved in the conversation with your brand.

Bringing customers closer to the desired product means marketing tools can assess their interest and tailor production runs accordingly. **The challenge – and catalyst for change – is to merge experience data with operational data.** To achieve this, bring together experience designers, data teams and great technology.

3.7 Top factors impacting CX on agent-led transactions

When it comes to customer satisfaction, ease of resolution still counts most.
There's increasing evidence that customers are willing to wait if an agent has the right knowledge, attitude and empowerment.

Factor	Value
Ease of resolution (e.g. customer effort/FCR)	62.1
Product knowledge	40.8
Agent attitude	36.3
Agent empowerment	30.3
Being placed on hold (e.g. wait/resolution times)	28.5
No single point of contact/ being transferred	24.9
Process awareness	23.1
Location of agent (e.g. resistance to accent)	15.2
Unable to use technology systems	10.8
Reluctance/inability to escalate to management	6.1
Don't know	5.4
Other	4.3

What are the top three factors impacting CX on agent-led transactions? **n = 554**

Insight

Effortless CX still important; agent attitudes an increasing factor

Ease of resolution continues to count most when it comes to factors that impact the customer journey and CX. For the third year in succession, it's also the top factor impacting CX on agent-led transactions.

There's been a 42.4% surge in those citing agent attitude as an area that affects customer satisfaction. This is of particular importance in Europe, where it's the second most important factor (45.8%). This is in contrast to the Australia and New Zealand market, where it's ranked eighth and a top-three concern for just 16.2%.

Highlighting the importance of customer journey design on agent-led interactions as well as across the wider business are the 28.5% of organizations that indicate placing customers on hold is a key frustration area alongside being transferred – a known hotspot for another 24.9%. Location of agent has resurfaced as a concern area, particularly for those in Asia Pacific, where it's a contentious point for 24.1% versus just 15.2% globally.

Action

Use metrics from all perspectives to make things easier for all

The ease of finding a solution, buying a product or getting information is still crucial in CX, and even more so in a digital age where expectations of self-service are high. **It's now of strategic importance to focus on putting the customer before the process and make things as easy as possible for those on both the giving and receiving end of customer service.**

The Customer Effort Score (CES) will give you insight into ease of resolution from the perspective of your customers while the Employee Effort Score helps determine how easy it is for an employee to deliver the desired CX. Don't lose sight of first contact resolution either – research has shown that customer satisfaction decreases significantly if a customer must contact your organization more than once about the same issue.

Empower employees with the right knowledge, processes and technology to meet the expectations of the customer. Make sure agents have the capability to resolve customer issues in the first session.

3.8 Speed-to-answer times by channel

> **The gap between leader and laggard performance is widening (in some cases, it's up to ten times better).**
>
> The best are getting better, but most are getting worse. The differences highlight the art of the possible and what is achievable with robust system and process redesign.

Telephone/in-person - seconds: 54.2 / 20.0
Email/online form - minutes: 333.3 / 30.0
Web chat (incl. co-browse) - minutes: 8.6 / 1.0
Social media - minutes: 108.6 / 15.0

■ Average   ■ Leaders (top quartile)
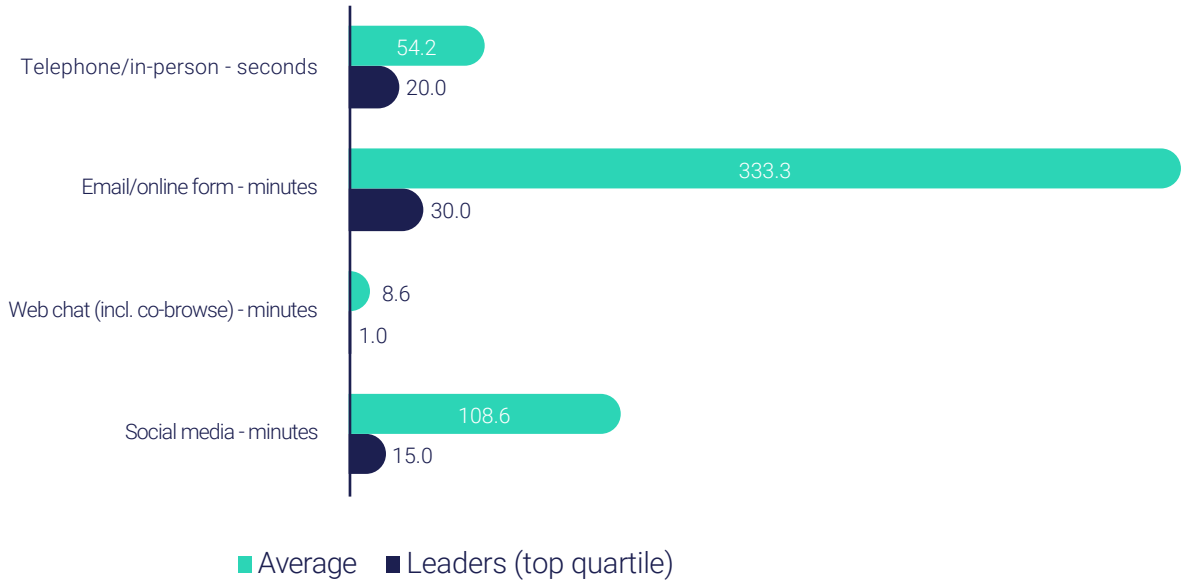
On average, how quickly do you answer enquiries received via: **n = 392**

3.9 Average handle times

> **Organizations highly satisfied with CX are receiving unparalleled CX promoter scores from customers and set the benchmark others should aspire to reach.**
>
> The commercial impact of inflated handle times and process inefficiencies is hugely significant. The research highlights that taking the right amount of time, not having the lowest handle time, is what ultimately reduces customer effort and perceptions of ease of resolution – the number one factor affecting CX.
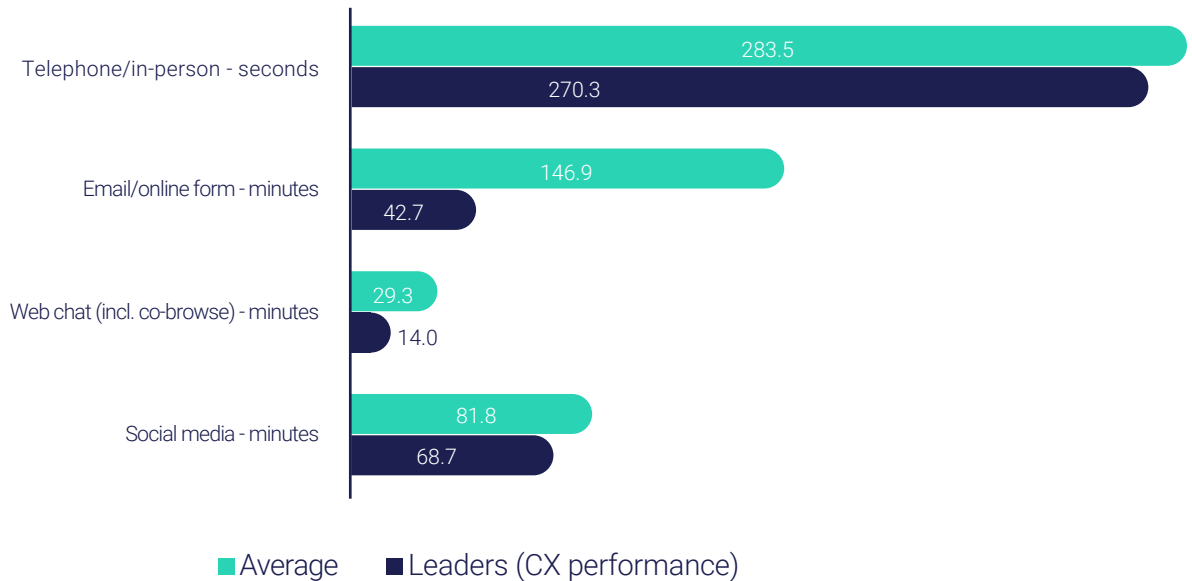
Average handle times: On average, how long does it take you to complete enquiries received via: **n = 374**

Insight

Industry leaders getting further ahead

For several years our research has highlighted that industry leaders (scoring highest on CX) are widening the gap on the competition. They're transforming and exploiting technology strategies to differentiate. **These results on organization responsiveness across a range of core contact channels are case-in-point evidence that the gaps between the average and top quartile are wider than ever.**

The results for speed-to-answer and average handle times show some significant discrepancies in service levels across regions. The highest pressure on telephone response times is encountered by organizations in Australia and New Zealand; for email, it's Europe. There's a wide spread of results at sector level and we'd recommend you access our Benchmark Data Portal for results specific to your services and desired peer group.

Best practices for **speed-to-answer** are exemplified by the top quartile of organizations that have already optimized their CX delivery strategy. Their customers

can enjoy telephone wait times of just 15 seconds (the overall average is 54.2 seconds) or get a response to their email enquiries within five minutes, not 5.5 hours (overall average). Best practices for web chat remain under a minute and at around 15 minutes for social media.

Historically, best practice on average handle times was based on productivity and a desire to reduce the cost to serve rather than on ensuring a positive customer experience and resolving the enquiry. These times are significantly higher for prestige brands than budget brands. However, **the lowest handle times are offered by organizations that have optimized their CX strategy — and where customer ratings of CX are at highest.**

> ### Assess your CX readiness
>
> The CX Readiness Index takes just a minute to complete and will help you determine how your CX strategy and execution compares with the progress of other organizations.
>
> Take the Assessment

Action

Define how these measurements support your CX strategy

It's important to mention that speed-to-answer is about how long it takes an agent to start an interaction, not to answer the customer's question, solve their problem, provide information or sell a product. Average handle time is commonly used to provide insight into the knowledge and skills of the agent and the efficiency of the processes.

In particular, both metrics say something about how efficiently the organization deals with the precious time of the customer and creating the right (brand) experience.
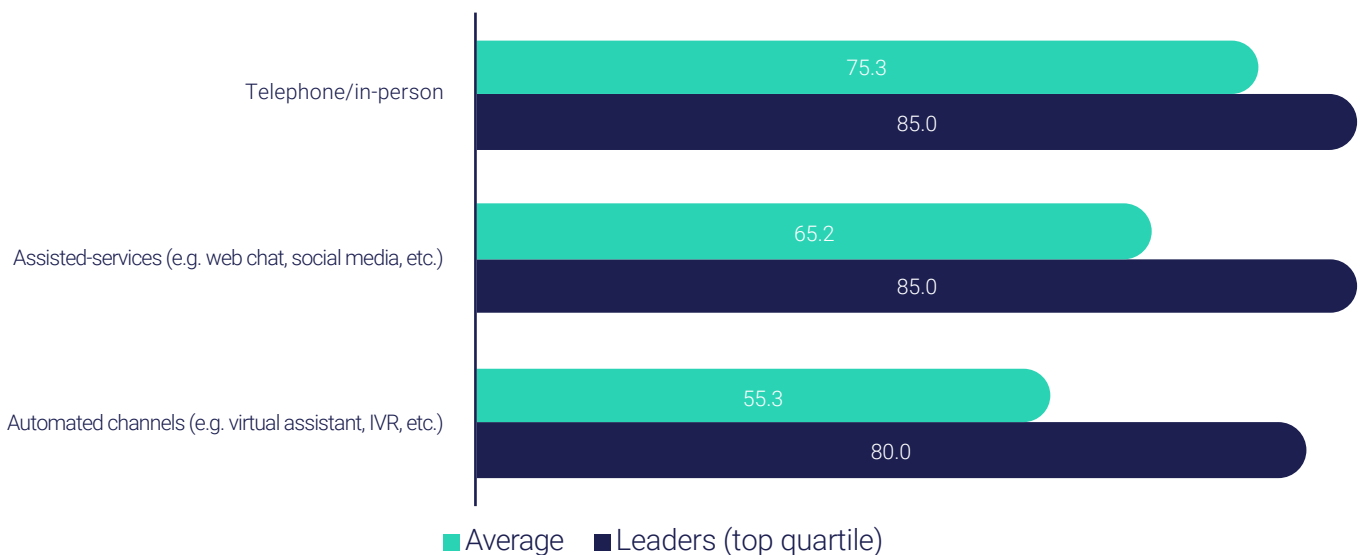
Just measuring is not enough – that's something everyone can do. Distinguish yourself by letting the numbers support the CX strategy.

Think carefully about the desired experience and the KPIs associated with speed-to-answer and handle-time metrics. The KPIs should give the right direction to employees and support the CX strategy across all channels.

3.10 First Contact Resolution (FCR) rates by channel type

> **Contact resolution rates for telephone/in-person stay consistent and are 10.1% ahead of assisted-service and 20.0% ahead of automated channels.**
>
> One-third (34.8%) of assisted-service enquiries fail to be resolved during the first contact; automated channels fare even worse with a 44.7% fail rate. Top-quartile performers have much more consistency across channel groups.

Telephone/in-person — Average: 75.3, Leaders (top quartile): 85.0
Assisted-services (e.g. web chat, social media, etc.) — Average: 65.2, Leaders (top quartile): 85.0
Automated channels (e.g. virtual assistant, IVR, etc.) — Average: 55.3, Leaders (top quartile): 80.0

■ Average   ■ Leaders (top quartile)

What is your average First Contact Resolution (FCR) rate for …? **n = 172**

Insight

No improvement in almost five years

CX is acknowledged as a proven differentiator by 81.6% of organizations. Board-level executives have named CX as their top indicator of strategic performance. Ease of resolution is known to be the most crucial factor that affects customer rating of CX, yet FCR rates remain at around 75% and haven't tangibly improved in almost five years.

The average results for enquires via telephone are worse today than they were 20 years ago.

The results for emerging digital channels are even worse: 65.2% for assisted-service solutions (web chat, email, etc.) and 55.3% for automated services – both having dropped from the levels achieved last year (68.5% and 61.8% respectively). This is contributing to just 5.7% of users of automated and/or AI solutions having customers rate their CX delivery at a promoter level (against 12.1% overall).

There are clear indications of exceptional performances, albeit with some noticeable fluctuations by region, sector and service offered. The top quartile globally highlights a solid objective and a realistic positioning on what should be possible for most, with more focused design, reviews, execution and testing of solution journeys. They also provide a more consistent service across different contact channels.

Action

Design with resolution in mind

First Contact Resolution per contact channel type starts with a clear vision, driven by a well-designed CX strategy. Which channels do you want to be present on because customers expect them?

For telephony, routing is indispensable. However, with assisted channels there's often much less thought about how to route the customer to the most suitable agent.

To create a consistent image of your company, product and service across all channels:

- Use a personal approach and try to speak the same language as your customers, while giving them all the same well-designed experience.
- Give each contact channel the same amount of attention.
- Use the right technology to route non-phone channels correctly.
- Choose not to offer channels if you can't offer the same CX everywhere. Keep in mind that more isn't always better – customers prefer FCR to the number of channels offered.

Part 3: Four key takeaways

1 **Improve data consistency and consent across all channels.** This will give customer conversations (AI or agent-driven) greater credibility.

2 **Start the conversation about what the KPIs for your service agents should be.** Include your customer in the design process – blend metrics like NPS into overall company metrics. Consider what works best for your customer demographics.

3 **Skill your marketing team and data analysts on testing the impact of communication.** Discover your minimum viable audience and test your assumptions.

4 **Leverage the power of clean, consistent UX to enable better decision-making for both the organization and the customer (two sides of the customer engagement coin).** This should be key in omnichannel philosophy.

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Spotlight on security

Data security and the connected customer: practical considerations for implementing cybersecurity in CX
Mihoko Matsubara, Chief Cybersecurity Strategist, NTT Corporation

Data is central to effortless CX and security. The protection of the data you use to enable on-demand transactions and context-based personalization should be built into your CX technology and processes.

The cost of being unprepared
Our latest Risk: Value Report revealed some concerning statistics relating to data security:

- 48% of organizations claimed all their critical data is secure
- 45% stated they had secured all their organization's data
- 44% admitted they had suffered a breach (up slightly from 41% the year before)

The Report also revealed that the loss of company data or theft of data was the second top cybersecurity risk organizations expected to face in the next 12 months.

Despite these figures and the public exposure of high-profile breaches, many organizations believe 'It will never happen to me'. In 2018 and 2019, 33% said they did not expect a breach in the future.

This unpreparedness means the business ends up with a longer time to recover from a breach. While organizations estimated an average recovery time of 57 days in 2018, this figure went up to 66 days in 2019.

In addition to the impact this has on customer service and brand reputation, more time for recovery also leads to higher costs. The estimated cost of recovering from a breach continues to go up, from 9.9% of a victim's revenue in 2017 to 10.3% in 2018 and 12.7% in 2019.

Implement AI and machine learning for better cybersecurity
Although entire cybersecurity procedures can't be automated, machine learning can certainly alleviate the burden on human resources.

Some 43% of organizations lack the necessary skills and resources in-house to cope with the growing number of cyberthreats. As certain cyberattackers use machine learning and automated tools to launch attacks, automation can help you tackle cyberattacks more proactively and efficiently. Investigate automated monitoring, detection and response tools that work across technology environments and will help improve your security posture. In fact, the Report states that AI improves real-time analytics by 61.1% and predictive analytics by 41.3%.

Be ready and respond effectively
You can't manage risks you don't know about. Craft an incident response plan based on a thorough risk assessment and cyberthreat intelligence.

In 2019, less than 30% of organizations said they had an incident response plan and were fully aware of its contents. Once you've assessed the risks in your environment and formulated an appropriate plan, be sure to communicate it to all stakeholders and test your incident response procedures.

Make security a strategic priority
Having an optimized CX strategy and faultless execution won't be of much use if valuable customer data is compromised. Make cybersecurity a strategic priority and develop an incident response plan that protects your customers and your organizations in the event of a breach.

The statistics cited in this article are from <u>Risk: Value 2019</u>, an international research report published annually by NTT Ltd.'s Security division. The report examines attitudes towards risk and the value of security among non-IT decision-makers in organizations in multiple countries and sectors around the world.

4. Engage through omnichannel

Great CX is the result of focus and design, not coincidence

66.4%   **Most organizations engage via eight contact channels, yet two-thirds (66.4%) have no cross-channel contact management strategy.**

24.2%   **Only one-quarter (24.2%) of CX teams are fully collaborating to define customer journeys and design CX.**

24.5%   **Just 24.5% claim good or complete consistency as CX remains hugely erratic across contact channels.**

The strategic intent for CX and omnichannel strategies is there. How this translates across the organization is where things are getting stuck.

The thing is, great CX doesn't happen in isolation. Customer interactions must be designed, not left to chance.

When it comes to customer satisfaction, ease of resolution still counts most.

It's easy to get distracted by the promise of new technologies, but CX is not about following trends. If you want to make an impact on your customers, everyone in the organization needs to focus on solving problems for both your customers and the business.

Part 1: Industry insights

There's a lot of talk about the importance of CX but not much follow-through. CX may be getting airtime in boardrooms but great customer engagement is more often the exception than the rule. Effective CX happens when organizations move from strategic intent to meaningful engagement.

What's the right CX for your organization?

A consciously designed, fully managed end-to-end customer journey, with the customer well and truly in the center, is rare.

If you struggle to answer this question, you're not alone. Most organizations don't really know what it is they want their customers to have.

Disjointed approaches to CX point to that familiar business problem: the siloed approach. CX initiatives are undertaken in isolation, whether by channel, product or business area.

In some organizations, CX is focused only on the contact center or driven mainly by the digital team.

61.3% of business functions are adopting a fragmented approach to CX design; a further 14.6% say there's no CX design collaboration between teams at all.

CX by design: how to move forward

To create change in your organization, identify where the gaps are in terms of the people, processes and technologies that shape customer interactions. Then tackle the changes required, step by step.

- Understand your **current and future-state** CX capability, then **draw up a roadmap** for your CX strategy.

- **Use design thinking** for customer journey management and developing an ecosystem that can evolve seamlessly over time.

- **Determine metrics for success** and how you'll measure these across channels.

- **Take a programmatic approach** to bring silos together. You'll need to integrate data from all channels and areas to inform the success of your CX initiatives.

- **Get feedback** from your customers and frontline CX employees.

- **Give feedback** to executives and the board on progress, successes and failures.

Are we confusing innovation with technology implementation?
Don't use a channel just because it's there.

Yes, we are. Take the first emergence of web chat about 10 years ago as an example. Everyone was doing it, it looked good on the company webpage, so we rolled it out – without adequate forecasting, resourcing, visibility and integration with other channels. Not a great success.

Email, on the other hand, is still going strong – despite the challenges it presents to forecasting resources and measuring productivity.

Thinking about a new channel?
Ask yourself four questions:

About the channel	About your customers
1. Why do we want it?	1. How will it meet customer needs?
2. How does it support our strategy and align with our brand?	2. Which customer segments will use it?
3. How will we measure its success?	3. Will it create an enjoyable experience?
4. Where does it fit in the customer journey?	4. How will we encourage adoption?

31.5% of organizations do not have a formally defined **channel management strategy**.

Our point? Innovation isn't simply implementing the latest technology or channel. Real innovation is using what we have to solve a problem, enrich an interaction or improve First Call Resolution rates.

Small approaches can yield great results

- **Start somewhere, based on what the data is telling you.** Choose an initiative to prototype, then measure the results to see if it's working. It's really critical to be using the right data, something that can be a challenge – which is why we suggest starting small, with data you know is reliable.

- **Get two or three channels right.** Have agents with the right skills handling voice, web chat and email, for example. Create context for each customer interaction so it's easy for any agent, on any channel, to pick up where the other left off.

- **Then look at artificial intelligence (AI), automation, virtual assistants** and other technologies that could meet the demands of more digitally savvy customers (remembering that AI will only be as smart as the data you feed it).

Who's listening to the voice of the customer?

Everybody should be, from the boardroom to the contact center.

> **Why it pays to pay attention to the voice of the customer**
>
> A mortgage company in Europe implemented an application for customers to track the status of their mortgages – and were surprised to find few customers were using it. An analysis of phone interactions revealed there was nothing wrong with the application itself – customers simply preferred calling in for an update.
>
> This example shows how important it is to understand what customers want before going ahead with anything new, and why customer awareness and marketing of new channels are critical to success.

We've had the technology to listen to customers and analyse their conversations across channels for some 15 years – yet it seems we listen to them far less than we talk about them.

Just **15.5%** place '**customer delight**' as the driving force behind their **customer journey design** strategy.
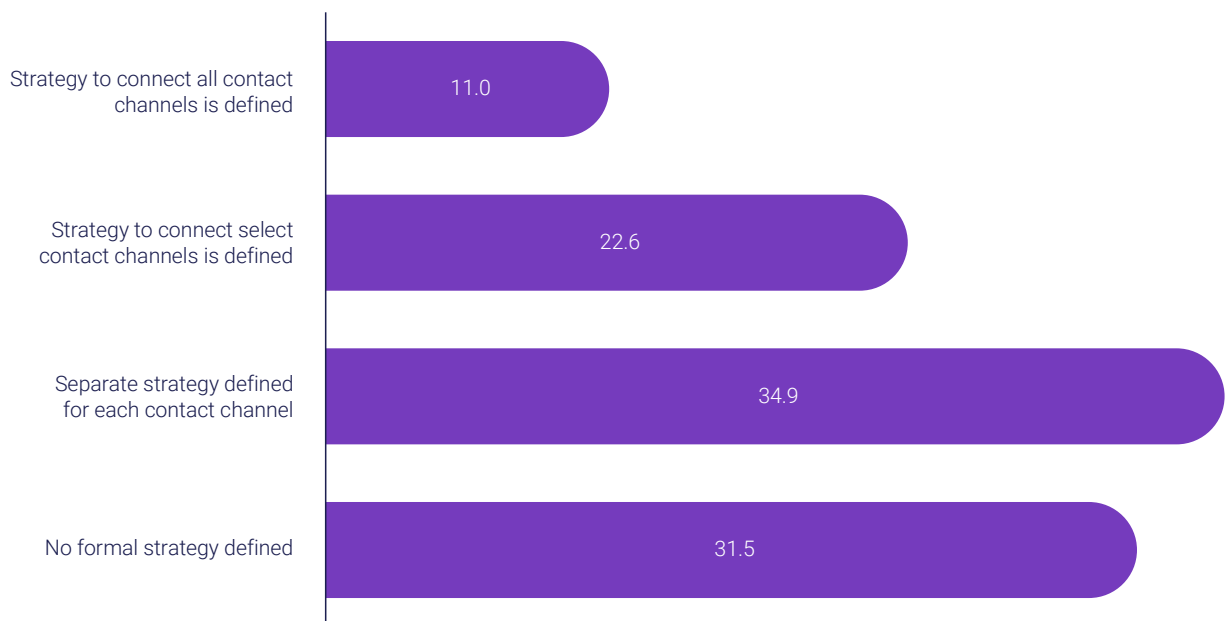
It's time to bring all that data together and take the voice of the customer to the boardroom, to digital and IT teams, to product development … wherever it needs to be heard to effect positive change.

Part 2: Trends and analysis

4.1 Contact channel management strategy

> **Nearly one-third (31.5%) of organizations do not have a formally defined channel management strategy.**
>
> Another 34.9% admit to applying a silo-based approach; just 11.0% are now focused on implementing a full omnichannel strategy (down from 25.0% in 2019).

Strategy to connect all contact channels is defined	11.0
Strategy to connect select contact channels is defined	22.6
Separate strategy defined for each contact channel	34.9
No formal strategy defined	31.5

How well defined is your customer contact channel management strategy? **n = 607**

Insight

Focus is on connecting fewer, but more relevant, channels

The number of organizations with a full omnichannel strategy has dropped to just 11.0%. More than double that (22.6%) have defined a strategy to connect select, but more relevant, channels rather than pursue a full omnichannel strategy. The Asia Pacific market is the most progressive in applying a fully connected approach.

Nearly one-third (31.5%) of organizations do not have a formally defined channel management strategy, an increase of 9.6 percentage points from last year. Just over half of the 66.4% that do have a cross-channel strategy defined are taking a silo-based approach, reducing the likelihood of a connected and consistent customer journey across channel types.

Prestige brands are nearly three times more likely than budget brands to maintain a defined contact channel management strategy that connects CX interactions between all channels. Budget brands are also almost twice as likely than prestige brands to operate with no formal channel management strategy (44.4% versus 24.7%).

Action

From strategic focus to committed implementation

Optimizing CX requires strategic focus together with committed implementation, measurement and review. Organizations clearly understand the value of improved CX and, increasingly, the importance of connected customer journeys. That understanding needs to follow through to committed and programmatic action.
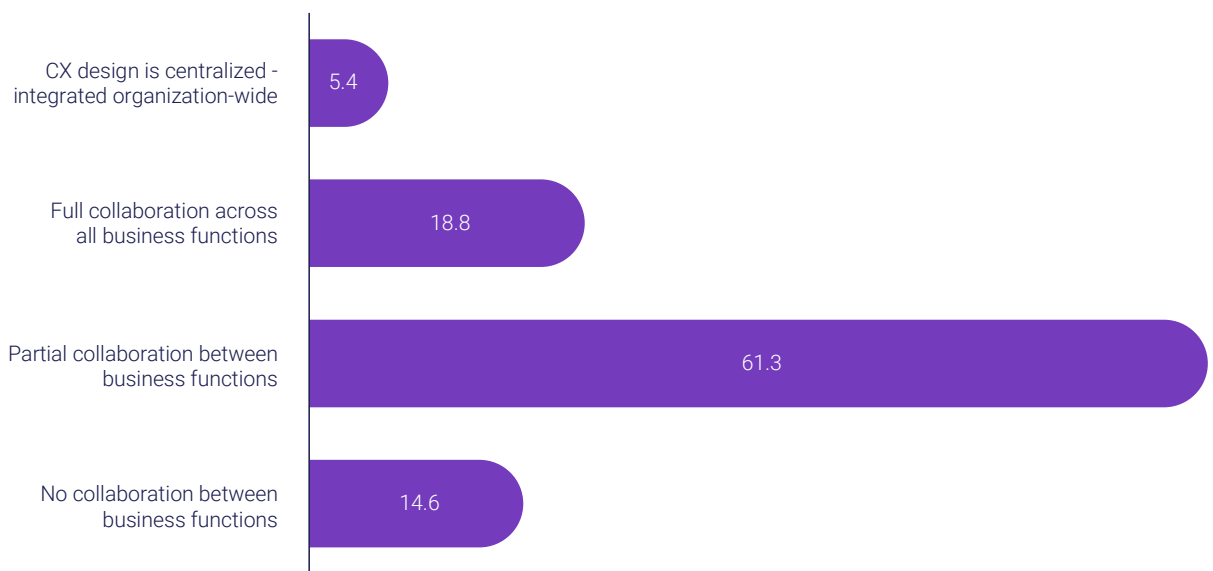
Implementing an omnichannel strategy is all about:

· understanding your customer

· breaking down department silos

· focusing on the channels that support your product, brand and type of customer you're looking to attract

Before adding new channels, make sure the most important channels for your company and customer are integrated seamlessly.

4.2 Collaboration on defining and designing CX journeys

24.2% of business functions fully collaborate to define customer journeys and design CX.

Most (61.3%) are adopting a fragmented approach; a further 14.6% say there's no collaboration between functions at all.

Category	Value
CX design is centralized - integrated organization-wide	5.4
Full collaboration across all business functions	18.8
Partial collaboration between business functions	61.3
No collaboration between business functions	14.6

To what extent do individual business functions collaborate to define customer journeys and design CX? **n = 597**

Insight

Collaboration rising as silo approaches fall

This year's results indicate some progress towards collaboration. The number of functions defining their CX solutions in silos has more than halved (down from 33.4% to 14.6%). IT support functions remain the most likely (at 22.7%) to operate on a siloed basis.

There's a direct relationship between the level of interdepartmental collaboration and the progress rate of organizational CX strategies. Over half (51.1%) of organizations that have an optimized CX strategy design their customer journeys through a centralized team and/ or with the full collaboration of all business functions. The level of collaboration drops in tandem with organizations' progression of their CX strategy (less progress, less collaboration).

As seen in last year's Report, organizational size has little impact on the likelihood of working together. Globally, results vary slightly but the general patterns remain, regardless of whether it's an operation with 201 employees or less, or over 5,001. It's a relatively similar pattern at sector level, too.

Action

Centralized governance and cross-functional design will impact connected CX

Mature organizations recognize that working in isolation cannot effectively influence the entire CX.

Partial or no collaboration between business functions is usually the result of not having a clear CX vision or strategy.
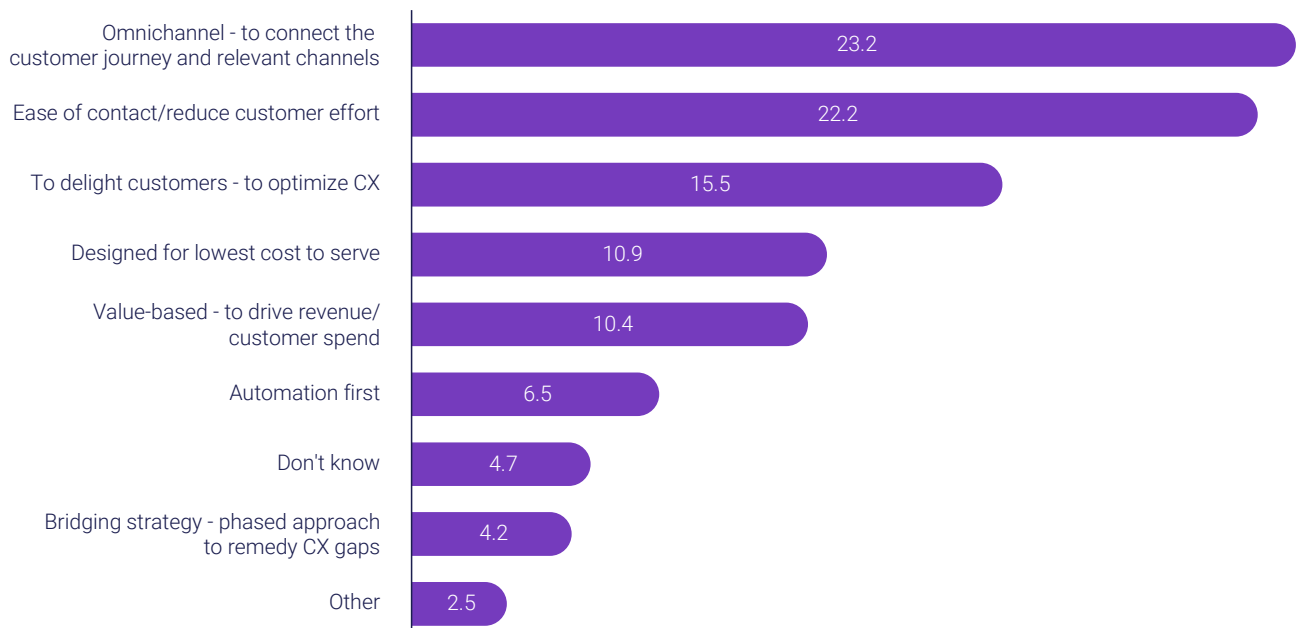
Centralizing CX governance or ensuring cross-functional CX design can help encourage cultural adoption of customer centricity. To achieve this:

- Identify the key stakeholders outside your own business function and their drivers for success.
- Demonstrate how improved CX will help them achieve their goals as well as the goals of the customer and the organization as a whole.

4.3 Top drivers of customer journey design strategy

Just 15.5% of organizations say 'customer delight' is the driving force behind their customer journey design strategy.

Connecting relevant channels and ease of contact/reducing customer effort are the top two motivators. 10.9% say lowering the cost to serve is their key driver.

Driver	Value
Omnichannel - to connect the customer journey and relevant channels	23.2
Ease of contact/reduce customer effort	22.2
To delight customers - to optimize CX	15.5
Designed for lowest cost to serve	10.9
Value-based - to drive revenue/customer spend	10.4
Automation first	6.5
Don't know	4.7
Bridging strategy - phased approach to remedy CX gaps	4.2
Other	2.5

What's the top driver that best describes your customer journey design strategy? **n = 599**

Insight

Omnichannel a top driver of customer journey design

Globally, the top driver framing customer journey design strategies is omnichannel and the concept of connecting customer journeys and relevant contact channels.
However, we do see varying priorities at a regional level, particularly in the Americas, and Australia and New Zealand, where 'ease of contact' and reducing customer effort is the first priority, ahead of ambitions to connect the customer journey.

Organizations with optimized CX strategies elevate the importance of solutions designed for lowest cost to serve to second top driver, almost twice the global benchmark (19.1% versus 10.9%) and the main difference between well-advanced and optimized progress. It may well be that those with optimized strategies will often revert to a focus on cost savings once they are satisfied with their progress on the other top-five drivers.

Customer journey designs will differ by operator needs and often by interaction type. In the insurance industry, the top driver of CX journey design is 'value-based – to drive revenue/customer spend'. For the technology professional services, sports, entertainment and hospitality, and retail and wholesale sectors, the goal is rather 'to delight customers via optimized CX'.

Action

Align customer centricity with strategic objectives

We're all taking about the value of CX but really delighting your customers is still rare. Optimizing CX is therefore a very powerful differentiator when you do it well.

However, great CX doesn't happen by accident – it needs to be designed.

Customer journey design will help you focus on your customers' experiences and make changes that really matter to them.

Align the 'outside-in', customer-centric view of design with the 'inside-out' view of the strategic objectives of your own organization:

- Know your organization's overall strategy, value proposition and competitive differentiators.
- Involve all the stakeholders of the CX ecosystem. Use the voice of the executive, voice of the employee, voice of the customer and even voice of your partners to create guiding principles that will help you validate journey design against both organizational and user requirements.
- Identify the interdependencies between people, processes and technology.

4.4 Factors driving digital transformation

Improved CX is still the top factor driving digital transformation.

Customer demand for digital drops to third place (and by 20.5 percentage points) as digital solutions have become omnipresent; a rising focus is instead being placed on commercializing existing solutions.

Factor	Percentage
To improve customer experiences	70.5
Drives sales/business growth	50.7
Customer demand	42.7
Need to reduce costs	41.9
Improved analytics/business intelligence data	38.5
To improve employee experiences (incl. attraction/retention)	34.9
Competitor pressure	31.5
Access to new technologies (e.g. proactive automation, etc.)	27.8
Access to new markets	20.4
Losing relevance in marketplace	19.4
Impact of disruptors in our markets	14.8
Other	2.6

What are the main factors driving your digital transformation? **n = 850**

Insight

Organizations looking to commercialize established solutions

'To improve customer experiences' is cited as the main factor driving digital transformation across sectors, regions, operation types and size of organization – with just one exception: for the retail and wholesale sector, improved CX takes second place to driving sales and business growth.

The number of organizations citing 'customer demand' as a core driver for digital transformation has dropped significantly from last year (second place at 63.2% to third place at 42.7%). This may be attributed in part to digital now being expected and in place as a norm, rather than something organizations are still initiating. There remain some regional differences, however – it's ranked only sixth and by 34.2% of organizations in the Americas, versus 47.3% in the Middle East & Africa (MEA).

It appears organizations are now placing more emphasis on commercializing established digital solutions, specifically with a view to driving sales and business growth – which has risen from the fourth to second most popular motivator for driving digital transformation.

Action

Make the business case for CX

While we all know and understand that great CX leads to decreased costs and increased revenue, the biggest challenge is turning this statement into action.
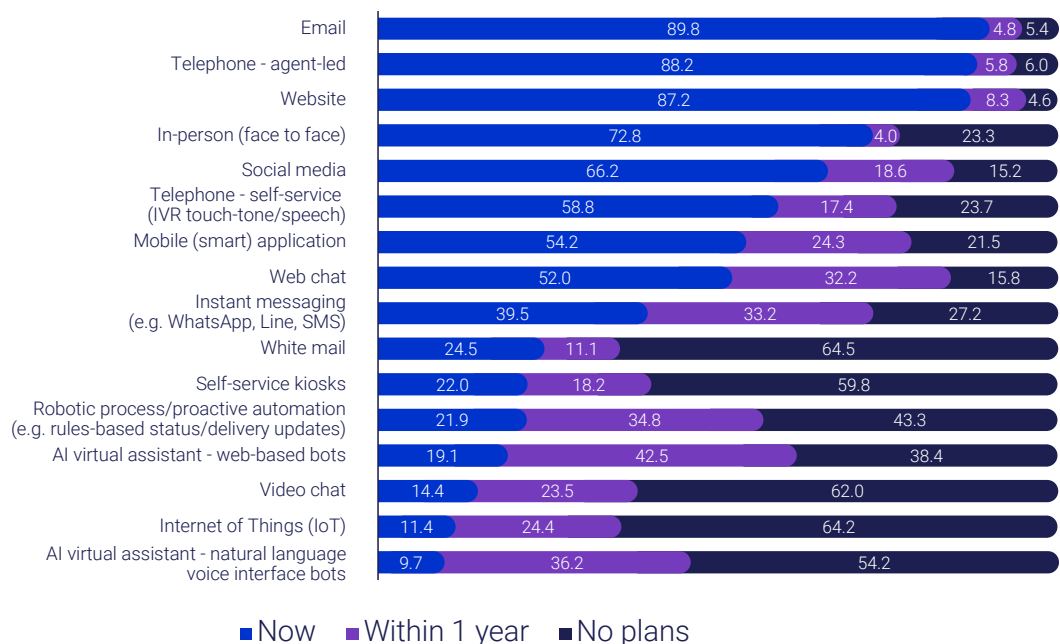
- Do you have the right key performance indicators (KPIs) in place for your digital strategy?
- Can you accurately measure CX across new channels?
- Are you capturing Voice of the Customer (VoC), customer effort, NPS as well as cost to serve and revenue from new channels?

Organizations that can demonstrate the link between improvement in CX and in the bottom line will be those that can sustain innovation.

4.5 Contact channels that are supported and/or planned

Email has surpassed telephone to emerge as the most common support channel for CX.
The majority of organizations are now providing a choice of eight contact channels. AI, virtual assistants and robotics/proactive automation are the top three hot trends for meeting future needs.

Channel	Now	Within 1 year	No plans
Email	89.8	4.8	5.4
Telephone - agent-led	88.2	5.8	6.0
Website	87.2	8.3	4.6
In-person (face to face)	72.8	4.0	23.3
Social media	66.2	18.6	15.2
Telephone - self-service (IVR touch-tone/speech)	58.8	17.4	23.7
Mobile (smart) application	54.2	24.3	21.5
Web chat	52.0	32.2	15.8
Instant messaging (e.g. WhatsApp, Line, SMS)	39.5	33.2	27.2
White mail	24.5	11.1	64.5
Self-service kiosks	22.0	18.2	59.8
Robotic process/proactive automation (e.g. rules-based status/delivery updates)	21.9	34.8	43.3
AI virtual assistant - web-based bots	19.1	42.5	38.4
Video chat	14.4	23.5	62.0
Internet of Things (IoT)	11.4	24.4	64.2
AI virtual assistant - natural language voice interface bots	9.7	36.2	54.2

■ Now ■ Within 1 year ■ No plans

What customer contact channels do you provide now, or have planned? **n = 817**

Insight

Automated and digital channels climb the charts

In keeping with a trend that's been developing as organizations endeavour to 'go digital or die' (the theme of our 2015 Report), the agent-led telephone channel has, for the first time, dropped from its top position as the most commonly available CX channel. Email is now the most widely available support channel, offered by 89.8% of organizations.

The majority of organizations now provide a choice of eight contact channels. Three are fully automated (website, telephone self-service, mobile smart apps); three are provided digitally but with human support (email, social media, web chat) and the remaining two are agent-fronted, either by telephone or through in-person enquiries at a physical location.

AI is the hottest trend for the coming year. Almost one in five organizations (19.1%) already have a form of AI in place in the guise of web-based AI bots, a further 42.5% have it planned for the coming year and 36.2% are planning AI natural-language interface bots. Rules-based robotic automation (34.8%) completes the top-three focus areas being explored to meet future needs.

Action

In with the new … and learning from the more mature

Technology is no longer the bottleneck to great CX – it's organizations themselves.

Channel management is an organization-wide concern that requires strategic focus together with cross-functional implementation and measurement.

As younger, digitally savvy generations grow up and technology develops rapidly, it follows that digital channels are becoming more popular. **Data integration and analytics will be critical success factors for both automated and assisted-service channels.**

Voice may be declining, but it's worthwhile recognizing the maturity of management practices that support the voice-based contact center and applying those to new, digital assisted-service channels.

4.6 Consistency of CX delivery

Just 24.5% of organizations claim good or complete consistency of CX delivery, which remains hugely erratic across contact channels.

Nearly one-quarter (24.2%) report no consistency whatsoever; another 51.3% say there's partial consistency across all customer journeys.

	2020	2019
Complete consistency	3.7	4.8
Good consistency	20.8	19.5
Partial consistency	51.3	49.3
No consistency in delivery	24.2	26.4

■ 2020 ■ 2019
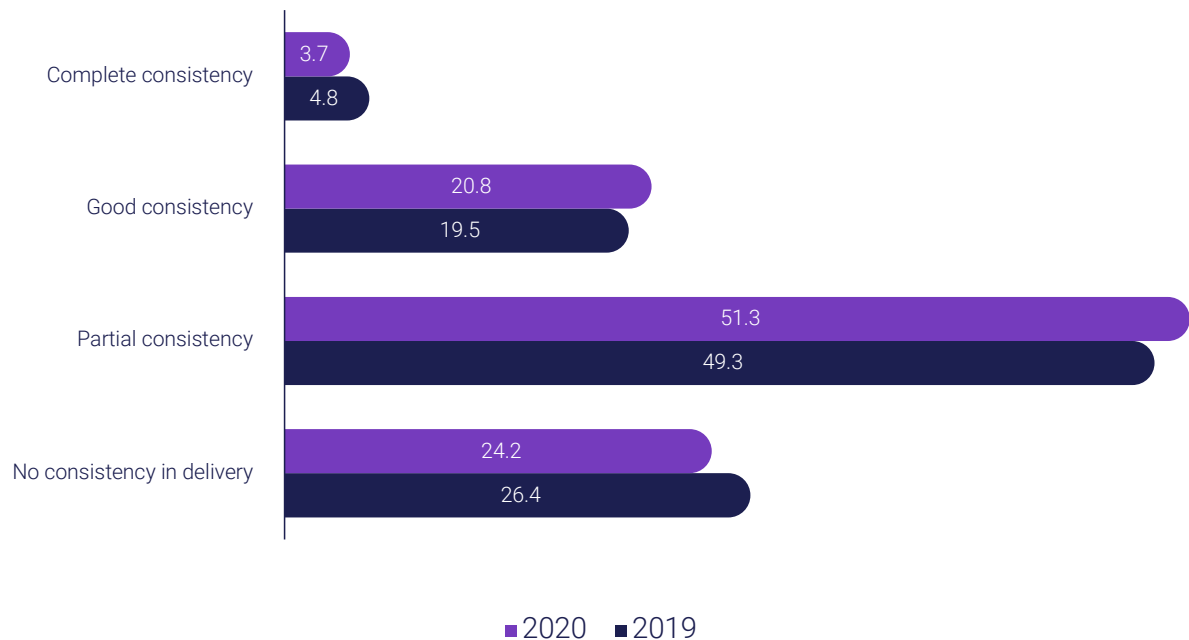
Is CX delivery consistent and defined across all customer journeys? **n = 596**

Insight

Inconsistent service delivery still a challenge for CX teams

CX is the most important driver for digital strategies, yet only a quarter of organizations claim a good (20.8%) or complete (3.7%) consistency of CX across contact channels. The majority (51.3%) are still restricted to partially consistent CX delivery, while one-quarter (24.2%) acknowledge no consistency in delivery at all, with the public sector lagging the most, at 57.7%.

The continued lack of defined channel management strategies and collaboration between business functions is a fundamental issue for all. Organizations in Australia and New Zealand noticeably lag the rest.

At 33.4%, budget brands are more able to provide good or complete CX delivery consistency than mid-level (19.8%) and prestige brands (30.5%). This is likely due to having simpler, more targeted service solutions and a narrower choice of contact channels (averaging six), combined with a natural focus on efficiency to protect what are often low costs and margins.

Action

Define CX guidelines and responsibilities for all stakeholders

Inconsistent delivery is usually the result of a CX disconnect in the organization. **There's a strong correlation between organizations that collaborate well in journey design and the consistency of CX that's delivered.**
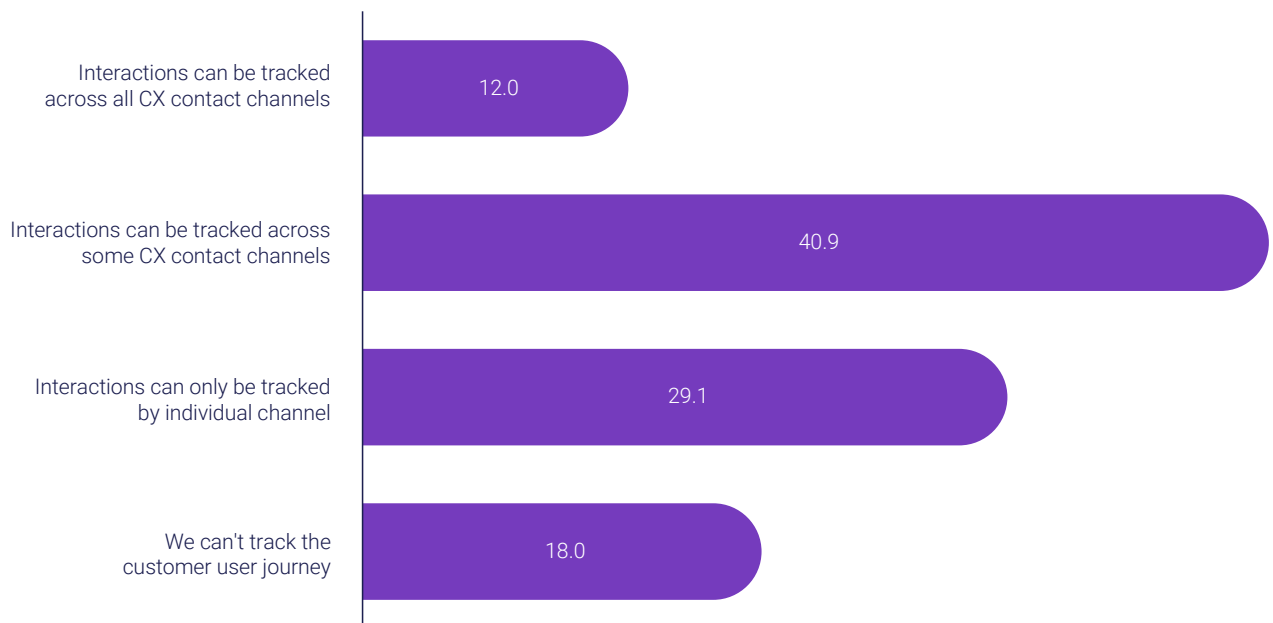
To make sure everybody's talking the same language, align your CX goals, KPIs and stakeholders:

- Use the CX strategy to create guiding principles for making CX responsibilities part of every job role.
- Define KPIs that support this strategy and hold people accountable for improving CX.
- Regularly review insights from CX metrics with all stakeholders.

4.7 Tracking customer journeys across channels

> **For most organizations, the tracking of CX journeys that span multiple contact channels remains a huge challenge.**
> Just 12.0% enjoy full visibility; 18.0% cannot track user journeys at all.

Interactions can be tracked across all CX contact channels	12.0
Interactions can be tracked across some CX contact channels	40.9
Interactions can only be tracked by individual channel	29.1
We can't track the customer user journey	18.0

How well can you track customer journeys that span multiple service channels? **n = 584**

Insight

Improvements indicate slow inroads are being made

While just 12.0% of organizations can track the customer journey across all contact channels, 52.9% can now track interactions that span multiple (if not all) channels – up from just 35.0% who could report the same capability last year.

The number of organizations unable to track the customer user journey in any form has dropped by more than 10 percentage points in the last two years, from 28.2% in 2019 to 18.0% this year. For those who've optimized the progress of their CX strategy, the number falls even further, to just 4.8%, indicating the art of the possible.

Digital-only service centers have the most advanced capability. But even here, only 14.3% can leverage their access to digital footprints to track interactions on every CX channel. Just 10.7% of digital centers can't track the customer journey, an improvement from last year's 14.3%.

Action

CX transcends channels – it's time to elevate CX measurement, too

If you can't measure CX across the entire customer journey, you can't see where or how to apply improvements. While there has been significant progress this year, there's a growing gap between the upper quartile and remaining majority.

Data and cross-channel measurement are critical success factors in collaborative customer journey design.

- Having the right, accurate data is key, so always start with how to get the data.
- Break down technology, people and process silos so the customer journey can be captured regardless of the channel and product.
- With separate channels often funded from separate budgets, consider defining shared success metrics that are a result or combination of cross-channel measurement.

4.8 Challenges to tracking the customer journey

System integration constraints are again the main factor affecting visibility of the customer journey.
Inconsistent data sources and silo-based approaches remain an obstacle for over four in 10 CX teams.

Challenge	Value
Our systems are not integrated	55.4
Tracking system is not automated	52.6
Data sources are inconsistent/not transferable across channels	42.4
Channels are operated in silos - no desire to collaborate or share	41.1
We can't see which channels are being used (i.e. for what and when)	19.7
Key decision points cannot be identified	15.7
Process blockage points cannot be located	12.5
Not applicable for our business	8.7

What are the main challenges to tracking customer journeys? **n = 599**

Insight

Silo-based approaches persist

There are small signs of this issue diminishing over the last three years, but just one in eight organizations are able to track all customer journeys. It seems silo-based approaches towards channel design and management are perceived as easier and more cost-effective, despite the issues that arise from the inconsistent integration of data as a result.

Organizations that have progressed their CX strategy fare best in being able to access consistent data: 70.2% are enabled with data that's transferable across channels. This is in contrast to those still planning their CX strategy, where 50.0% are challenged by source data inconsistencies.

For most, achieving complete visibility of user behaviour patterns in the customer journey remains a step too far for now. It appears that organizations are instead tackling the issue in bite-sized chunks and making progress in other, more attainable, areas. Those unable to track process blockage points have almost halved, from 24.0% to 12.5%. Those unable to track and identify key decision points have dropped from 36.4% to 15.7%.

Action

Find, manage and use customer journey data

Organizations that can effectively track the customer journey can turn static customer journey maps into actionable drivers of value.

Fortunately, integrating contact center technology is becoming easier and more of a standard way of working. The biggest challenge is making sure technology supports the CX strategy, not adapting the strategy to the technology.
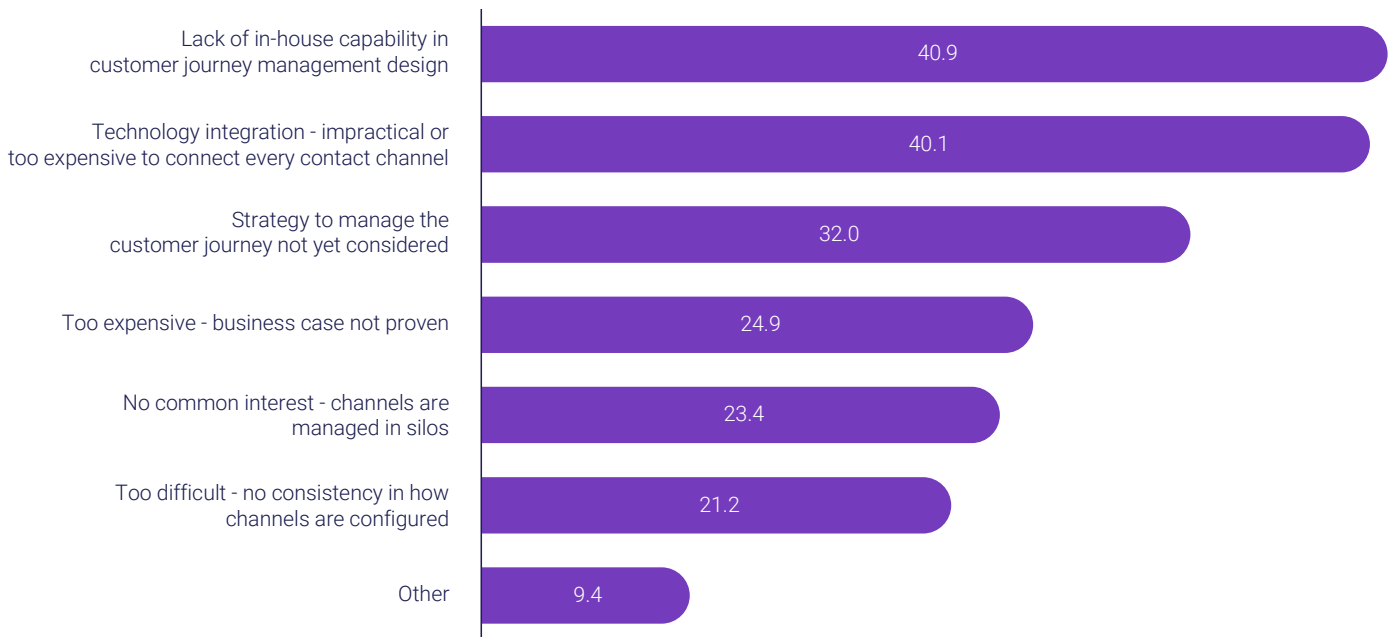
Even if channel integration is a challenge, you still have access to customer journey data – albeit siloed and underutilized. Most channels and systems, even if they're not integrated, store data on interactions, or can be made to.

Find out where that data is, then determine how it can be managed and combined with other channel data to support journey analytics.

4.9 Challenges to optimizing customer journey management

The number one obstacle to optimizing customer journey management is a lack of in-house design skills.

40.1% of organizations say connecting contact channels is just too impractical, 21.2% say it's too difficult. Nearly one-third (32.0%) have not yet considered a strategy to manage the customer journey.

Challenge	%
Lack of in-house capability in customer journey management design	40.9
Technology integration - impractical or too expensive to connect every contact channel	40.1
Strategy to manage the customer journey not yet considered	32.0
Too expensive - business case not proven	24.9
No common interest - channels are managed in silos	23.4
Too difficult - no consistency in how channels are configured	21.2
Other	9.4

What are the top challenges to optimizing customer journey management? **n = 594**

Insight

Good concept. Challenging reality.

Allowing for some small variances, all but two sectors cite the lack of in-house capability in customer journey design as one of their top two concerns. Regionally, the results are also relatively flat, with four in ten organizations typically agreeing such skills are hard to find internally. A slight exception is Europe, where it's nearer to three in ten.

The results provide insight into an increasing reality for many: without the necessary skills, it's very difficult to design and optimize customer journeys that will allow the organization to differentiate through advanced CX capabilities and connected services, and leveraging technology to eliminate costs.

Further reinforcing how difficult this is for most, organizations stating that optimized journey management is too expensive and the business case for it isn't proven have made varying degrees of progress on their digital strategies.

Action

Small steps can reap large rewards

Customer journey management helps to really understand the customer and enable a customer-centric process. Only then you can monitor customer behaviour to adapt and stay relevant.

Customers increasingly expect a connected customer journey. **Organizations that apply user-centered channel-design practices to programmatically link channels will reap the benefits of increased customer loyalty.**
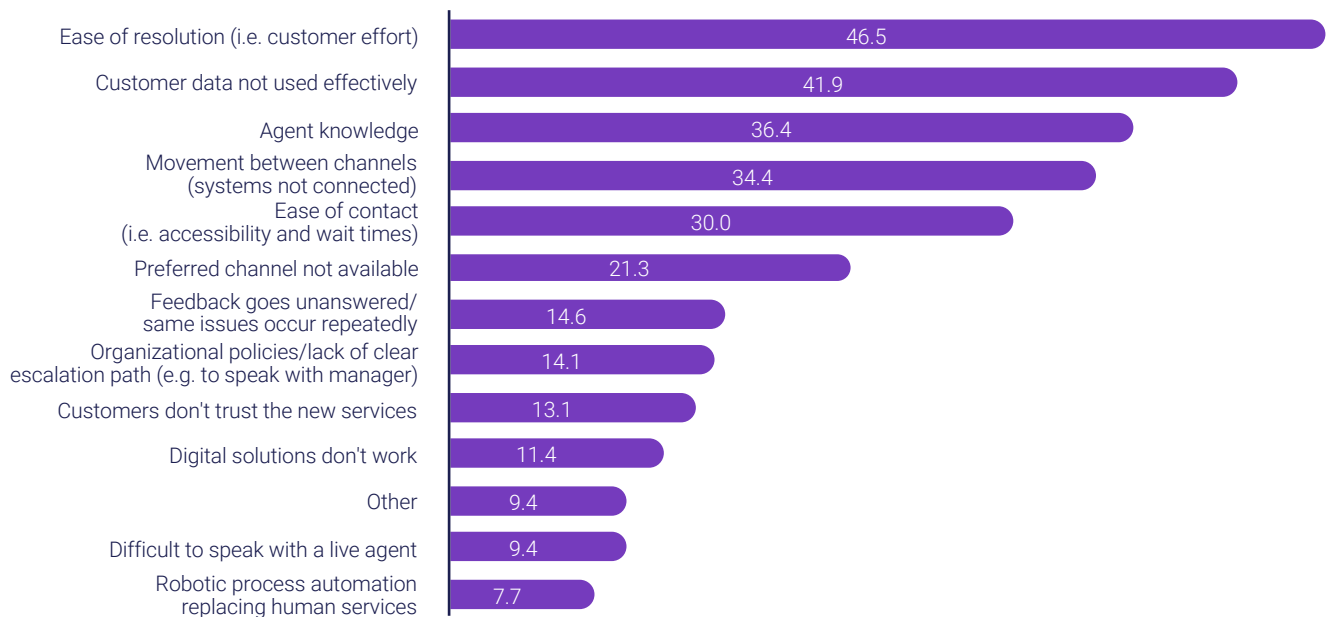
Start small:

- Define your top three or 10 customer journeys to work on.
- Establish guiding principles.
- Map the current and future state.
- Find the customer-effort hotspots.
- Define the metrics and success criteria.

Taking a customer journey design approach to the problem will help to identify key CX hotspots where channel connections and integrations may be more easily resolved. Use the skills of technology partners to support this exercise and determine how to best leverage systems to enable your organization.

4.10 Top factors negatively impacting customer journeys and CX

Ease of resolution still counts most when it comes to customer satisfaction.

Speaking with a live agent has become a low-priority CX concern; agent knowledge once engaged is far more crucial. Using customer data to inform journey paths is now the second top challenge.

Factor	Value
Ease of resolution (i.e. customer effort)	46.5
Customer data not used effectively	41.9
Agent knowledge	36.4
Movement between channels (systems not connected)	34.4
Ease of contact (i.e. accessibility and wait times)	30.0
Preferred channel not available	21.3
Feedback goes unanswered/ same issues occur repeatedly	14.6
Organizational policies/lack of clear escalation path (e.g. to speak with manager)	14.1
Customers don't trust the new services	13.1
Digital solutions don't work	11.4
Other	9.4
Difficult to speak with a live agent	9.4
Robotic process automation replacing human services	7.7

What are the top three factors that negatively impact the customer journey and CX? **n = 596**

Insight

Ease of resolution and customer effort take top spot for third year running

For the last three years, ease of resolution and the effort expended by customers in completing transactions has remained the top factor contributing to negative perceptions of CX.

A deeper look into priorities by support function type shows that for sales and IT helpdesk operations, ease of resolution is nudged into second and third place respectively by concerns that customer data is not being maximized or used effectively to inform journey paths. This is also cited as the number one focus area for prestige brands.

Agent knowledge completes the list of the top three factors that, when viewed together, provide a solid backbone of success factors for CX transformation.

In summary, the results highlight the need to:

• streamline customer engagements

• make it easy to use customer data to anticipate needs and enhance personalization

• ensure agents have the required knowledge to remedy and resolve issues when escalations are required

Action

Overcoming challenges to the connected customer journey

Opportunities exist to automate simple transactions, so long as customers can easily transition to assisted-service channels where required.

When analysing current-state customer journeys:

• Identify hotspots that require increased customer effort.

• Review touchpoints in the journey to ensure appropriate customer data is extracted and can be made available in real time for agents to personalize the experience.

Customers are happy to transition between channels if that transition is low effort and resolves their enquiry. This is the connected customer journey in a nutshell.

Part 3: Four key takeaways

1 **Great customer experiences need to be designed – they don't happen by accident.** Experiences should meet customer needs and be easy and enjoyable. Collaborate across the organization in customer journey design, management and measurement.

2 **A good CX strategy drives change and supports all CX activities in the organization.** Clearly define success metrics for digital transformation and CX improvements, based on consistent guiding principles distilled from your organizational or CX strategy.

3 **Turn statements into action by really creating the business case for CX**. Apply user-centric design thinking and iterate improvements as the value is demonstrated.

4 **Unearth valuable customer data.** Most organizations have a wealth of data that is simply underutilized due to channels that operate in silos.
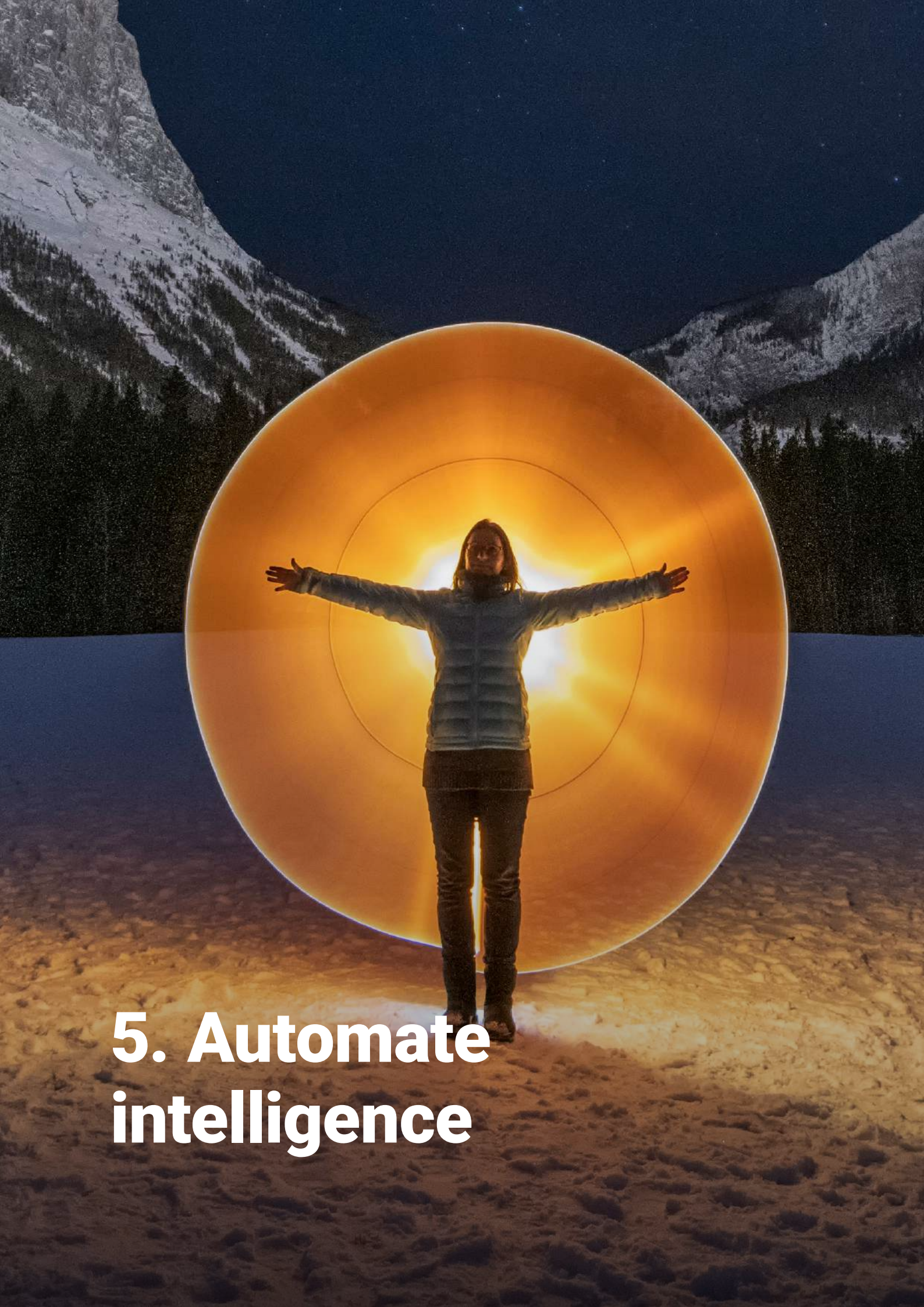
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5. Automate intelligence

Automate intelligence

Navigating from proof of concept to production

77.4%　　**77.4% of organizations believe customer operations will be positively affected by AI and CX robotics.**

84.6%　　**84.6% of users say one-quarter or less of CX activity is being handled by AI and/or robotics.**

32.1%　　**Just 32.1% say AI and robotic solutions are meeting or surpassing their expectations.**

Expectations for AI and CX robotics are high but the path from laboratory to production is often a long one. The field of automation is littered with dead proofs of concept (POCs) that never made it to the production floor. For those that do, the production environment presents its own challenges – which goes some way to explaining why more than two-thirds of organizations are not meeting their expectations.

Anxiety about using AI in production is, to some extent, justified. So far, deep learning has solved only specific, tightly controlled problems. Pilots have been very contained. Deep learning algorithms such as neural networks are extremely complex and don't lend themselves to intuitive human understanding. This makes it difficult to assure compliant behaviour at scope boundaries. In other words, how they'll respond to exceptions outside the controlled laboratory environment remains unpredictable.

The day when AI is embedded in our everyday lives, including front-office processes, is still some way off. Once again, be careful not to fall for all the hype. Humanize technology – see it as a way to improve our lives, not lead them. Above all, be pragmatic and patient.

Part 1: Industry insights

Advanced digital technologies such as AI and machine learning are still in the development stages. While not to be ignored, they can't form the basis of a near-term plan. A gradual path that starts with robotic process automation (RPA), moves to rules-based voice agents and finally to AI-powered automation, should become the framework of a long-term plan.

How easily do automation technologies integrate with the base CX technology stack?

Several enterprises are investing in digital workforce automation such as RPA but it's still a small part of CX activity for most.

The integration of automation in the base CX technology stack is still not mainstream. Plug-ins from third party providers are not yet robust enough to be brought to mass production without engineering.

Just 1.0% of organizations are processing more than three-quarters of CX activity via automation.

Not always a case of plug-and-play

Be wary of claims that automation tools can be configured in production overnight, without the need for a technical team and deployment strategy. Even at the simpler end of the scale, with robotic process automation, you may need to temper your expectations.

Consider:

- how long it takes to master all the nuances of that tool

- whether the target is process-ready or needs to be reengineered in order to use the tool

- how you will approach user buy-in and adoption

- how to secure systems and protect data that's gathered and processed across your firewall

- if the present platform and process will be around for long enough to get a positive ROI from the automation

As these technologies mature, and concerns about security and ethics are addressed, they will be adopted by the major CX technology providers and become another layer in the CX stack.

Where are we on the adoption curve?

It takes time to get from the testing environment to the live one.

The challenges of digitally parsing natural speech, language and sentiments – all of which are necessary for a meaningful conversation – have made the front office decidedly more difficult to automate than the middle and back offices.

The CX space is therefore trailing a few years in adopting complex automation, including deep learning and other AI-based technologies. However, it seems to be qualitatively following a similar adoption curve.

Organizations planning to automate 26% to 50% of human-led CX activity within next two years:
2019: 17.5%
2020: 34.9%

A lesson from the field

One of our clients, a top-five global healthcare company, has tens of thousands of customer care agents in their payer call center. The agents must carefully summarize each call, as their notes could be used for arbitrating disputes. Their call wrap-up time is therefore over 10 minutes.

Our CX R&D team partnered with a speciality technology start-up to develop an algorithm that combines speech recognition, natural language processing and machine learning to automate this process.

In numerous lab and field tests, the summary could be completed automatically – and accurately – in under a minute, with a quick verification from the agent.

However, when we started to implement this technology in production, the reality of the field made a quick victory elusive.

Network delays, circuit disturbances, ambient call-center noise, an innumerable permutation of connotations, intonations and regional timber, coupled with grave legal concerns, delayed the implementation by more than 18 months.

Unexpected system and adoption challenges will crop up with any brand-new transformational technology. These need to be systematically identified and mitigated through simulations or there is a real danger the technology could be pronounced unsuccessful in the field.

What are the opportunities for transformational technology?

The promise of new technologies has been widely demonstrated in POCs but has yet to be productionized.

It's clear that we are not going to see a sudden proliferation of AI-based digital CX adoption.

Rather, we're experiencing a gradual ramp-up – from the automation of analytics and reporting, which is now quite mature, to rules-based chatbots that are only now becoming ubiquitous, to voice agents in CX centers.

Machine learning, voice recognition and natural language processing are also taking hold.

AI and robotic process automation plans, now and over the next two years:
Virtual assistants/bots – rules-based
Now: 27.4% By **2022: 68.7%**

Virtual assistants/bots – powered by AI/machine learning
Now: 14.8% By **2022: 55.5%**

Where we're headed

- **Deep-learning techniques** such as neural networks can transform the CX space with outcomes hitherto impossible with today's human workforce. New, efficient algorithms, easy-to-use packaged platforms and increasingly powerful computing hardware will lend themselves to much wider adoption over the next five years.

- New strides in the **quantum computing** realm will completely transform the landscape over the next 10 years. The traditional CX stack may need deep structural overhauls.

- **Human empathy** is slowly being modelled by machines. In the next 10 to 15 years, when deep-learning algorithms will encounter massively scalable computing power, it will be very difficult to differentiate between a person or a machine on the other end of the line.

As is usual for any transformational technology, the hype is ahead of the reality. Once pragmatism sets in, more realistic opportunities for meaningful deployment will emerge.

Part 2: Trends and analysis

5.1 Users: Percentage of CX administered by AI and robotics

> **58.4% of users say up to just 10% of CX activity is being handled via AI and/or robotics; for 84.6% of users it's 25% or less.**
>
> 5.9% handle 51% or more of their CX activity via AI and/or robotics; just 1.0% are processing at least 76% of CX enquiries via automated systems.
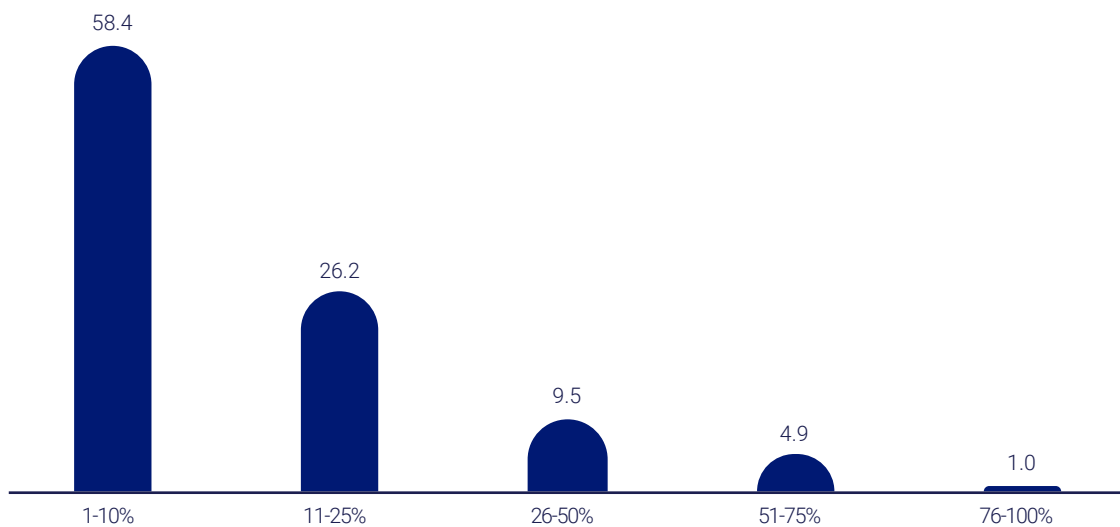
Users: What percentage of your overall CX activity is currently being administered via AI techniques and robotic solutions? **n = 305**

Insight

AI still in its infancy for the vast majority of organizations

Over half of organizations handle 10% or less of their CX activity via AI and/or robotics. A small minority (5.9%) manage the majority of their CX activity with these technologies, although that number increases to 27.5% in organizations that have optimized the progress of their CX strategy.

Organizations in Asia Pacific lead the way on AI and robotics deployments, though customer uptake has some way to go. For now, 12.2% of companies in the region administer the majority of their CX activity via AI and/or robotics; Europe and North America trail the rest at just 3.3% and 4.3% respectively.

At an industry level, the media and communications and retail and wholesale sectors are stronger adopters of these technologies, with 25.8% and 9.1% respectively saying that over half of their CX activity is being administered via AI and/or robotics. The healthcare and pharmaceutical sector leads with having most CX activity

(76% to 100%) conducted by AI techniques and robotic solutions – 6.3% of organizations have this capability compared with a global benchmark of 1.0%.

Action

Start preparing for ubiquitous automation

Traditionally, the front office has been the automation laggard as the complex nuances of live customer interaction necessitated having humans in the loop. However, unprecedented advances in the capabilities of AI engines running on the latest hardware are breaking down these barriers and closing the gap.
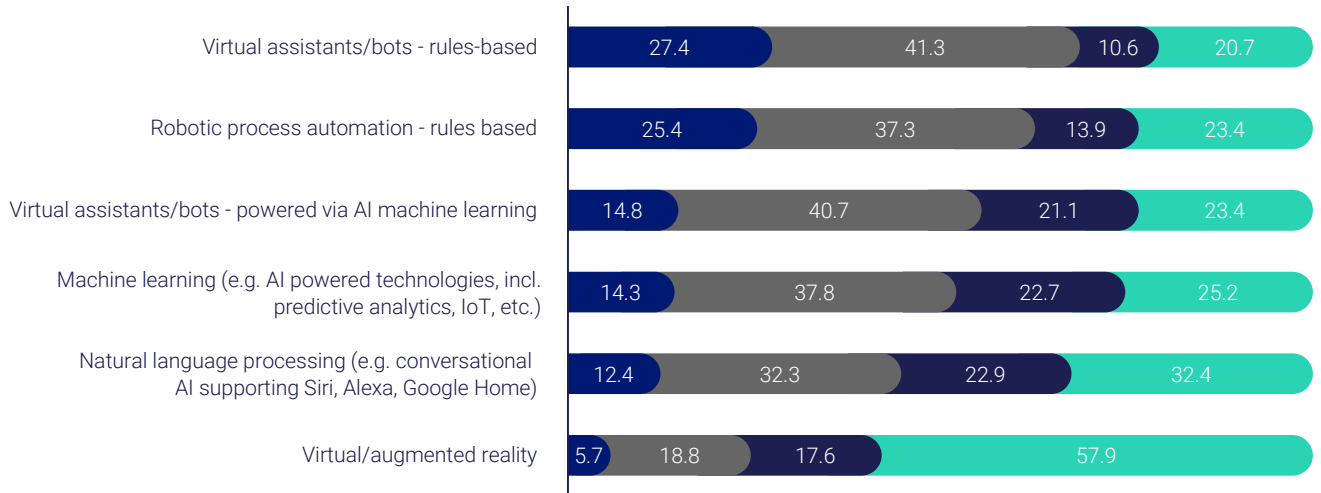
Expect a proliferation of front-office automation solutions, powered by AI or machine learning, in the coming decade. But be patient.

Be practical. Walk first: implement emerging CX automations based on machine learning and natural language processing with well-understood ROI today to prepare the organization for the AI-based solutions of tomorrow.

5.2 Artificial intelligence and robotic process automation solutions available or planned

AI remains a stretch too far for most; rules-based robotic solutions are the preferred advanced digital capability option.

Top short-term priorities are virtual assistants (both rules-based and via AI) and robotic process automation. Natural language processing and machine learning are the top five-year-plan priorities.

Solution	Available now	Available within 2 years	Available within 5 years	No plans
Virtual assistants/bots - rules-based	27.4	41.3	10.6	20.7
Robotic process automation - rules based	25.4	37.3	13.9	23.4
Virtual assistants/bots - powered via AI machine learning	14.8	40.7	21.1	23.4
Machine learning (e.g. AI powered technologies, incl. predictive analytics, IoT, etc.)	14.3	37.8	22.7	25.2
Natural language processing (e.g. conversational AI supporting Siri, Alexa, Google Home)	12.4	32.3	22.9	32.4
Virtual/augmented reality	5.7	18.8	17.6	57.9

■ Available now   ■ Available within 2 years   ■ Available within 5 years   ■ No plans

What AI and/or robotic process automation (RPA) solutions are available now or being planned? **n = 690**

Insight

Adoption of all solution types set to increase in next five years

The most common solutions currently in use are rules-based virtual assistants/bots (27.4%) and rules-based robotic process automation (25.4%). Less common are virtual assistants/bots powered by AI (14.8%) and machine learning (14.3%). At least 20.0% of organizations have no plans for each of the listed solutions.

Organizations forecast the adoption of both rules-based and AI/machine learning tools to increase considerably in the next couple of years: 68.7% say they'll have adopted rules-based virtual assistants/bots while 55.5% will have virtual assistants/bots powered by AI/machine learning in place within the next two years.

Looking further ahead, machine learning and natural language processing are top five-year-plan priorities.

Virtual assistants or bots powered by AI/machine learning are most prevalent in organizations with over

1,000 employees, where 20.7% are already using virtual assistants/bots powered by AI/machine learning. The number then drops to 16.3% in organizations with 201 to 500 employees, and 11.8% in organizations with up to 200 employees.

Action

Adopt proven solutions while monitoring those in development

AI technologies such as deep learning are still in their infancy. Unexplored areas of unpredictability make them less desirable in CX applications.

For now, organizations are betting on technologies they are confident can be predicted and controlled – and that have a tangible ROI. Rules-based RPA, for example, has been thoroughly and extensively tested in back-office applications.

Don't lose sight of AI-driven automation as you accelerate your adoption of RPA. It's bound to ultimately transform the CX landscape.

5.3 Two-year forecast automation of CX activity

> **Over one-third (34.9%) of organizations forecast that between 26% and 50% of their CX activity currently supported by live agents will become automated within the next two years.**
>
> Almost half (49.3%) expect up to a quarter of jobs will be lost to automation during the same period; 3.8% believe they can automate over three-quarters of CX activity.

	1-10%	11-25%	26-50%	51-75%	76-100%
2019	38.9	32.7	17.5	8.4	2.5
2020	14.7	34.6	34.9	12.0	3.8
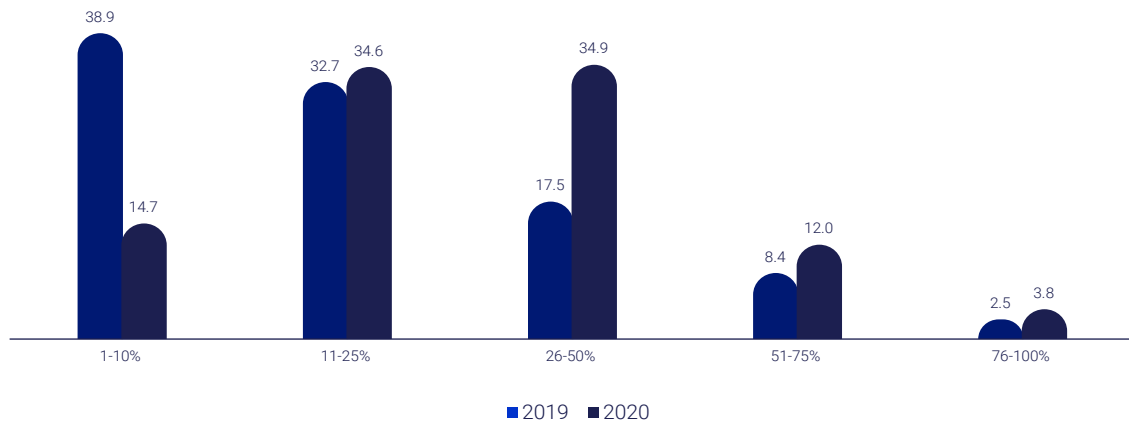
What percentage of your CX activity, currently supported by live agents, do you believe will be fully automated within the next two years? **n = 558**

Insight

Automation and AI will increase but won't be universal

Automation is climbing up the CX agenda. Last year, 38.9% of organizations planned to automate 10% or less of CX activity currently supported by live agents within the next two years. This year, that number has fallen to 14.7%. Over one-third (34.9%) now forecast that 26% to 50% of transactions currently handled by agents will become automated in that time.

Just 3.8% of organizations say that more than three-quarters of CX activity currently supported by live agents will be fully automated within the next two years (up 1.3 percentage points from last year). However, many will partially automate their live-agent operations over the next two years.

Organizations in Asia Pacific are planning the highest levels of automation: in the next two years, 7.2% plan to automate over three-quarters of their CX activity currently supported by live agents, which is nearly double the global figure. Another 24.3% anticipate 51% to 75% of human-led CX interactions will be automated by 2022.

Action

Reimagining CX requires a redesign of human roles

Organizations are finally reimagining their traditional CX activities and lining up the transactional bits for automation in the next couple of years. **The transition from human-led to automated CX activity will require a redesign of job scopes for the human workforce.**

If you're not among the 50.7% of organizations planning to automate at least 25% of their CX activities in the next two years, you need to catch up.

If you are among the leaders, be deliberate in what you automate while maintaining the human touch where it impacts CX the most.

5.4a Benefits of AI and robotic process automation

Improved CX is again the top business benefit of introducing AI and robotic process automation.

Analytics (predictive) is now ahead of cost reduction as a top-three benefit; 28.4% view improved service personalization as a core benefit area and just under a quarter (23.5%) consider it an opportunity to improve the employee experience.
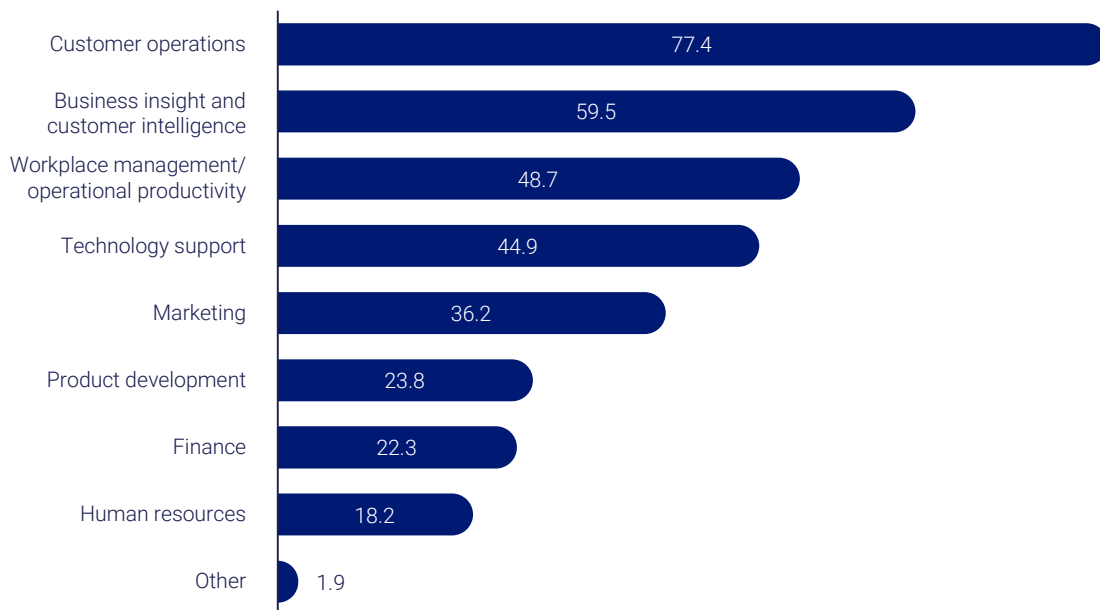
Benefit	Value
Improved customer experience (i.e. real-time assistance/increased value-add)	60.3
Predictive analytics - data mining	41.3
Cost reduction	39.4
Business insights (i.e. customer psychology, machine learning)	37.3
Improved service personalization	28.4
Improved employee experience (e.g. removal of mundane tasks)	23.5
Improved quality	20.8
Core business process automation	17.3
Improved compliance/process adherence (reduced business risks)	16.8
Brand reputation as innovators	10.5
Other	1.5

What do you consider as the top three benefits of AI and robotic process automation? **n = 686**

5.4b Function most likely to be positively affected by AI/robotics

More than three-quarters (77.4%) of organizations believe customer operations will be positively affected by AI and CX robotics.

59.5% believe business insight and customer intelligence will be positively affected; back-office support functions are areas where the least impact is anticipated.

Function	%
Customer operations	77.4
Business insight and customer intelligence	59.5
Workplace management/ operational productivity	48.7
Technology support	44.9
Marketing	36.2
Product development	23.8
Finance	22.3
Human resources	18.2
Other	1.9

Which business functions are most likely to be positively impacted by new AI and/or robotic technologies? **n = 677**

Insight

Broad range of benefits identified

Improved CX is again perceived as the top benefit of AI and RPA while customer operations are seen as the prime functional area that will gain value. There's been a drop in the number of organizations saying cost reduction is a primary motivator for implementing AI/robotics, from 45.4% in 2019 to just 39.4% this year.

Key functional areas expected to benefit from these technologies are customer operations (77.4%) and business insight and customer intelligence (59.5%). In line with this, 41.3% of organizations list predictive analytics as a top benefit of AI and robotic process automation. Those in the Americas are much more focused on predictive analytics and data mining, with 54.0% recognizing this benefit – nearly 13 percentage points higher than the global average. Organizations in Europe, and Australia and New Zealand, have a much greater focus on reducing cost (50.8% and 50.6% respectively) than all other regions, where the average focus level drops to 40.5%.

Globally, improved service personalization is identified as a top-three benefit by 28.4% of organizations. Just under a quarter (23.5%) see AI and robotic process automation as an opportunity to improve the employee experience, largely by automating mundane tasks, while 48.7% also believe improvements to the workforce management/ operational productivity function will result in operational efficiency and productivity gains.

C-level executives seem more optimistic than managers and junior team members: 69.0% believe AI and robotics will deliver benefits to business insight and customer intelligence – 9.5 percentage points higher than the global average.

Action

Move automation from the back office to the front office

Automation can be defined as being at one of three levels:

1. **Foundational**: improving processing time, resulting in cost optimization.
2. **Strategic**: doing a task better than humans, resulting in better business outcomes.
3. **Transformational**: performing activities not possible by humans, for example, using multi-layered, deep-learning artificial neural network and machine learning technologies to analyse data at various stages of an insurance claim process to identify the root cause of claim denials.

Organizations have embraced the age of transformational automation. Digital agents are being recruited to perform tasks previously impossible for humans – and this has shifted the focus away from cost optimization as the sole driver of automation.
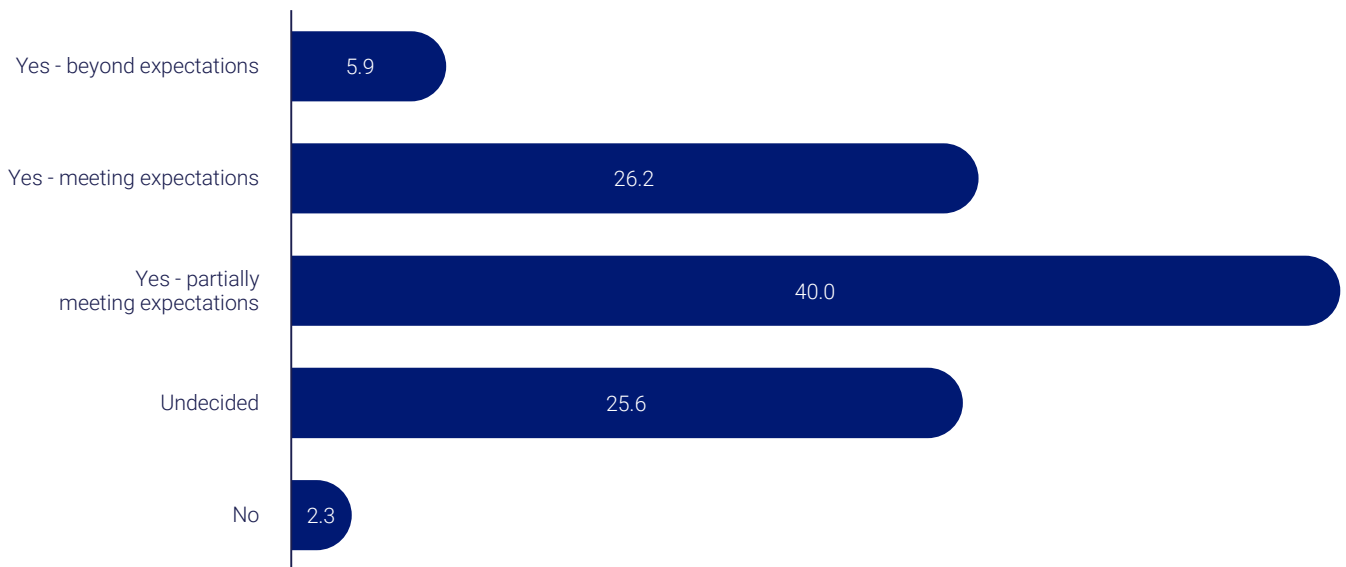
Now, organizations are looking for tangible business outcomes from dramatically enhanced CX and incisive business intelligence, powered by predictive analytics.

As the technology matures over the next decade, it will open new avenues for investing in intelligent automation for front-office operations. Accelerate your plans to enhance CX through AI-based digital services, fuelled by near-term RPA implementations in the middle and back offices.

5.5 Users: Effectiveness of AI/robotics

Users of AI/robotics are struggling to execute effective solutions that deliver the required outcomes.

Just 32.1% of organizations say AI and robotic solutions are meeting or surpassing their expectations; 40.0% say expected results are being met only in part; 2.3% say not at all; 25.6% are undecided.

Category	Value
Yes - beyond expectations	5.9
Yes - meeting expectations	26.2
Yes - partially meeting expectations	40.0
Undecided	25.6
No	2.3

Users: Are AI and robotic solutions delivering expected results? **n = 305**

Insight

Over four in ten say AI and robotics are not quite meeting expectations; another quarter remain undecided

Less than one-third (32.1%) of organizations say that AI and robotics are meeting or surpassing their expectations. One-quarter (25.6%) remain undecided. The jury may be out for many, but just 2.3% of existing AI/robotics users say these solutions are not delivering expected results.

Many organizations in Asia Pacific – which leads other regions in adopting these tools – are the most optimistic about the outcomes, and 42.1% say that AI and robotics have met or exceeded their expectations. At 23.1%, Europe is the most pessimistic.

It's worth noting that AI and robotics are in the early, piloting stage of rollout for most organizations. Measuring the success of these technologies is therefore still a work in progress.

For organizations that have optimized their CX strategy, 51.7% say AI/robotics are meeting or exceeding their expectations, of which 17.2% say the latter.

Technology companies, which may be better informed about AI and robotics and the design and implementation requirements for successful deployments, are among the most optimistic: 42.5% of organizations in that sector are seeing their expectations from AI and robotics being met or bettered.

Action

Temper expectations with a healthy dose of reality

Clearly, the hype cycle for AI and robotics is coming of age. As more organizations are entering the run phase, they're realizing that high expectations can get diluted in the real-world environment.
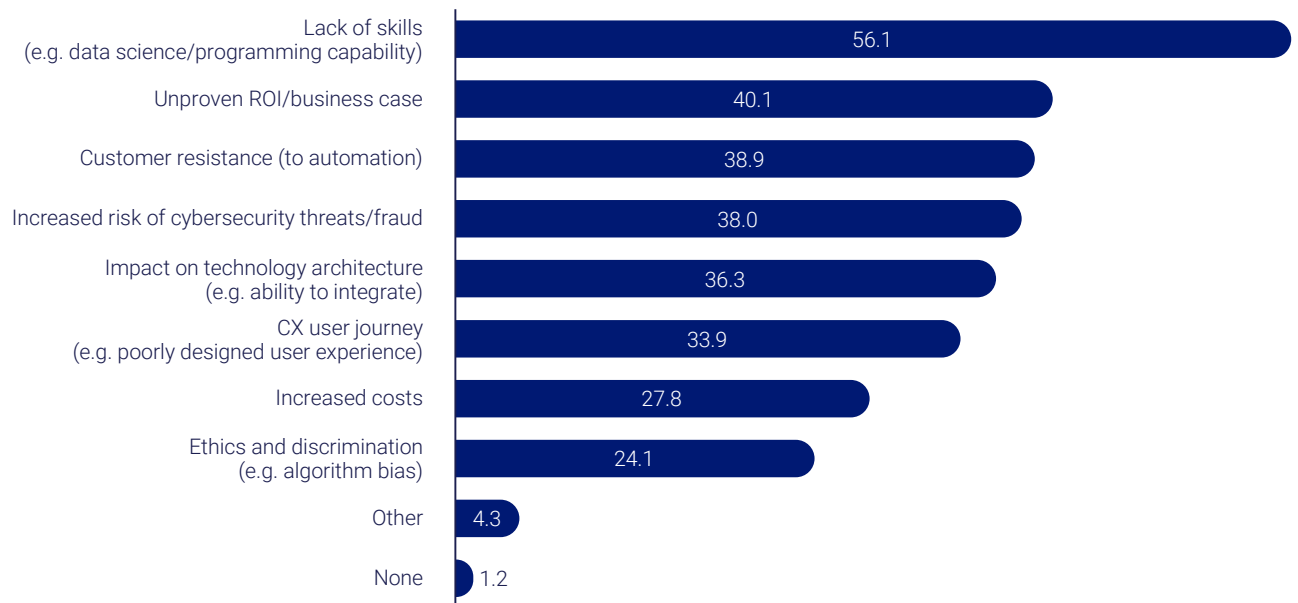
However, the fact that more than 70% of existing users of AI/robotics are confirming that technology is at least partially meeting their expectations affirms the potential of this technology in years to come.

Do not fall for the hype when determining the expected ROI of AI and robotics solutions. Examine similar implementations and incorporate lessons learnt in your business plan.

5.6 Challenges of AI and robotic process automation

Lack of skills is the overwhelming obstacle as organizations try to ready themselves for the future.
Unproven ROI and related challenges to validating the business case, alongside customer resistance and fears about cybersecurity, are the top concerns.

Challenge	Value
Lack of skills (e.g. data science/programming capability)	56.1
Unproven ROI/business case	40.1
Customer resistance (to automation)	38.9
Increased risk of cybersecurity threats/fraud	38.0
Impact on technology architecture (e.g. ability to integrate)	36.3
CX user journey (e.g. poorly designed user experience)	33.9
Increased costs	27.8
Ethics and discrimination (e.g. algorithm bias)	24.1
Other	4.3
None	1.2

What are the main challenges of AI and robotic process automation? **n = 681**

Insight

Organizations report a varying range of concerns

Lack of data science and data programming skills is the standout challenge to AI and RPA, affecting 56.1% of organizations globally. C-level executives are more acutely aware of these skills shortages than the rest: 67.6% cite it as top challenge, 11.5 percentage points higher than the average.

Regionally, the most significant concern regarding skills is in Asia Pacific, where activity levels are highest, and where 58.9% of organizations list lack of skills as a challenge.

Proving a return on investment from AI and robotic automation is a challenge for 40.1% of organizations globally. However, the inevitability of automation sees more of an acceptance of costs – the concern about increased costs has dropped significantly, from 45.5% in 2019 to 27.8% this year. Proving ROI is the top concern in the Australia and New Zealand region, where it's an issue for 60.3% of organizations, compared with just 34.2% in MEA.

As digitalization volumes grow, there's also been a noticeable drop off in concerns about customer resistance to automation (falling 13.6%) and the increased risk of cybersecurity threats (falling 16.3%) – although these are still top challenge areas for approximately four in ten organizations.

Action

Investment in training will see skills catch up with demand

As with any emerging field, technology development is outpacing the availability of trained resources. Although it looks like the barrier of customer acceptance has fallen away, not enough success stories have come to light to unequivocally prove the business case-yet.

Automation platform providers as well as service providers have realized this and are massively scaling up training activities. They're also reworking their platforms, and building accelerators to make them easier to deploy.

We will see human resource availability catch up with demand over the next two years. Organizations embarking on AI/RPA digital transformation should make a concerted effort to sustain the initiative by educating their employees so they can bridge the digital gap.

5.7 Users: CX rating of AI/robotics

> **Just 5.7% of AI/robotics users say customers rate their CX at a promoter level (against 12.1% overall).**
>
> Results indicate much effort is required to better leverage the powerful capabilities of AI/robotics: Promoters = 5.7%, Passives = 31.7%, Detractors = 62.7%
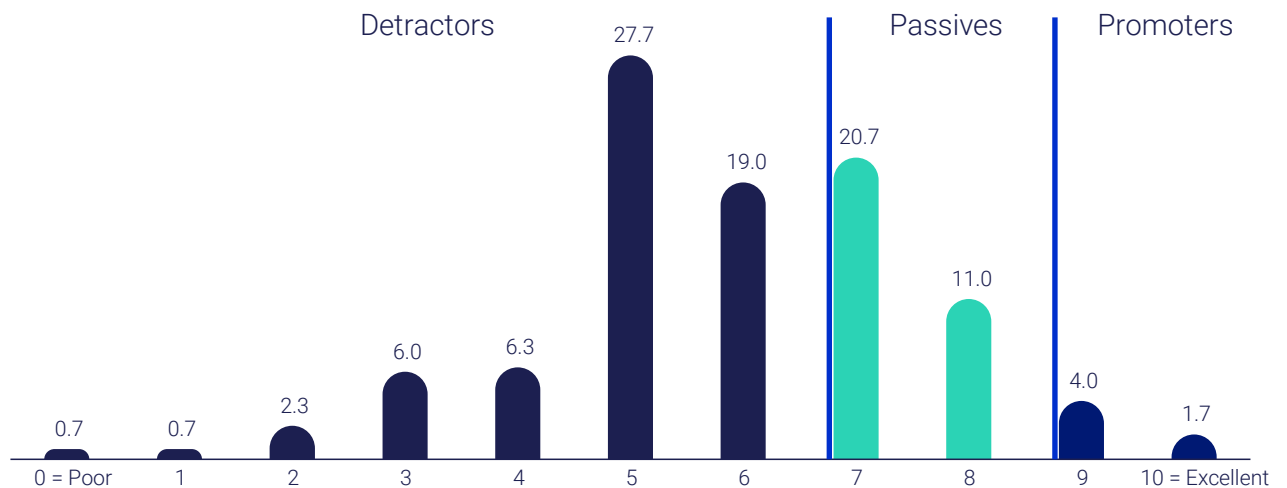
Users: How do customers rate their experiences of interactions administered via AI and robotics? **n = 300**

Insight

Still much progress to be made to enhance CX for AI/robotics

Just 5.7% of organizations using AI and robotics say customer ratings of these CX solutions are at a promoter level (a score of at least 9 out of 10).

That's less than half the score reported for all channels, and equates to a very low net score of −57.0% (5.7% promoters minus 62.7% detractors).

This shows just how much progress needs to be made to enhance the customer experience. Due diligence, attention to customer needs, design and testing will all play a role in ensuring organizations don't fall into the same holes as when implementing past automation (think IVR).

Once more, the results in Asia Pacific prove that learning comes with practice. While the results show there's still much room for improvement, they compare well, at a net −44.0 versus −59.3 in the Americas.

From a support function perspective, sales operations have the highest percentage of customers rating AI and/or robotic automation experiences at a promoter level (18.2%) and are way ahead of the 3.6% in customer service and 3.7% in IT helpdesks who can report the same.

Action

Avoiding costs or adding value?

With unprecedented hype portraying automation as the panacea for all issues, a large number of organizations jumped on the bandwagon with very little comprehension of the technology, its design and its effect on the user experience.
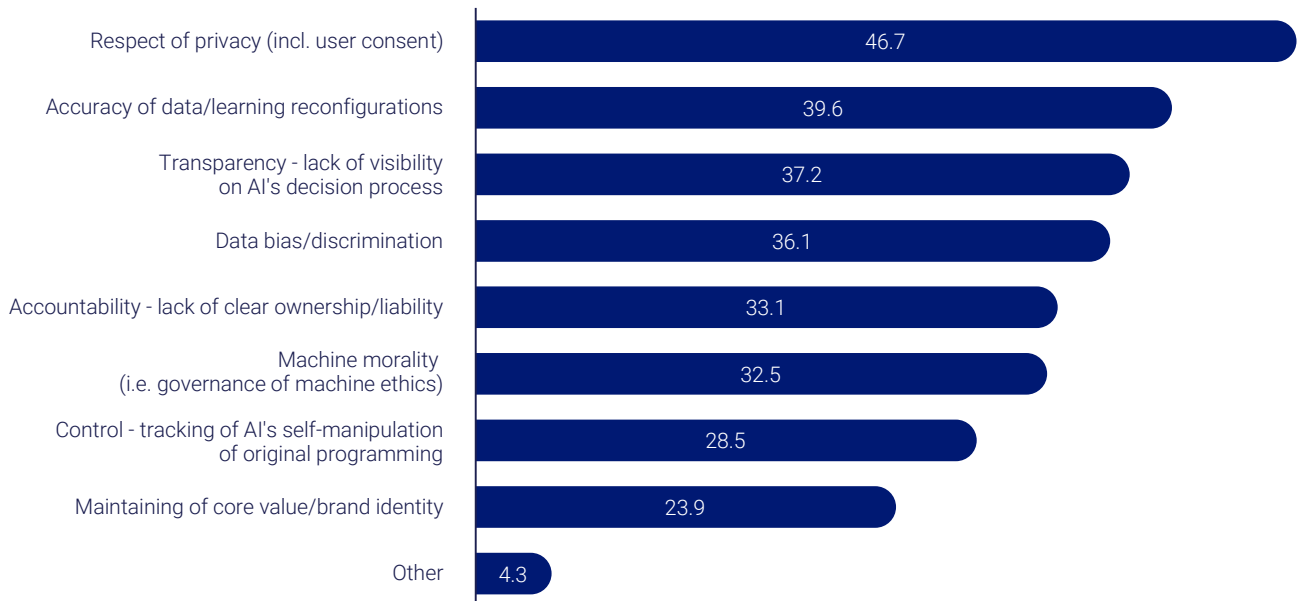
Early automation technologies catered to cost avoidance by deflecting calls or enquiries rather than adding value to the interaction. As a result, the potential of AI/robotics was missed. **Now that more organizations are realizing the true value of these digital solutions, we are seeing cohesive long-term plans geared towards enhancing CX.**

Cost avoidance should not be the sole impetus of your digital journey. Rather, it should be one component of a more comprehensive automation roadmap geared towards enhancing customer service.

5.8 Ethical challenges of AI/robotics

Respect of privacy and user consent head what is otherwise a relatively solid spread of ethical considerations.

Data accuracy, bias, decision transparency and governance of machine ethics shine a light on the key AI/RPA knowledge gaps within organizations.

Respect of privacy (incl. user consent)	46.7
Accuracy of data/learning reconfigurations	39.6
Transparency - lack of visibility on AI's decision process	37.2
Data bias/discrimination	36.1
Accountability - lack of clear ownership/liability	33.1
Machine morality (i.e. governance of machine ethics)	32.5
Control - tracking of AI's self-manipulation of original programming	28.5
Maintaining of core value/brand identity	23.9
Other	4.3

What do you consider as the top ethical challenges related to AI and robotics? **n = 674**

Insight

Compliance and other regulatory requirements are primary concerns

It's not surprising that privacy (including user consent) is the most cited (46.7%) ethical challenge of AI and robotics. This is followed by data accuracy and learning reconfigurations (39.6%).

Data bias and discrimination is fourth (36.1%) overall but a concern for 46.0% of organizations in the Americas (46.0%). In Asia Pacific (31.7%), it's the second lowest challenge.

More than three-quarters of organizations (76.1%) do not report 'maintaining of core value/brand identity' as a top ethical challenge, despite the potential brand damage that could be incurred if AI failed or made poor ethical decisions.

The insurance sector is more concerned than others about potential data bias and discrimination (43.8%, which is 7.7 percentage points higher than the average). The issue is already top of mind because of industry-specific equality rulings. It's a challenge that will inevitably spill into other sectors as activity levels increase.

Action

Carefully consider the implications and impact of AI

From drawing up insurance policies based on an analysis of individuals' medical records to formulating public policies by predicting economic trends based on large-scale population studies, AI is already affecting millions of lives around the globe.

An algorithm, probably developed by a single team, ends up dictating innumerable aspects of our lives.
It is therefore the responsibility of every AI developer to make sure their solution is just and fair to all users.

To eliminate innate biases, get teams of people representing different communities and lifestyles to double-check AI algorithms during development.
Educate research teams in moral philosophy, the philosophy of probabilities and the philosophy of experimentation.

'Any effort to control new technology faces a double bind. During the early stages, when control would be possible, not enough is known about the technology's harmful social consequences to warrant slowing its development. By the time those consequences are apparent, however, control has become costly and difficult.'
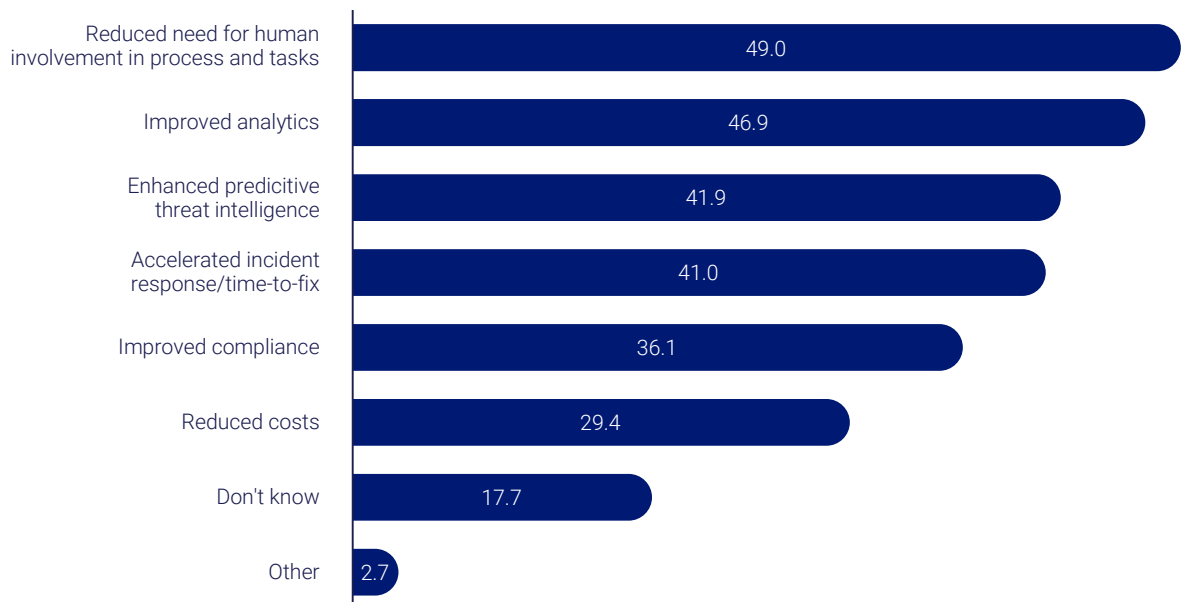
Prof David Collingridge
'The Social Control of Technology'

Reference: https://en.wikipedia.org/wiki/Collingridge_dilemma

5.9 Impact of CX provided via AI /robotics on cybersecurity

There's a continuing trade-off between the opportunity to improve risk management and the possibility of introducing new threats.

Nearly half (49.0%) of organizations acknowledge that automation will improve cybersecurity by reducing human error; just 36.1% agree it will improve compliance.

Category	Value
Reduced need for human involvement in process and tasks	49.0
Improved analytics	46.9
Enhanced predicitive threat intelligence	41.9
Accelerated incident response/time-to-fix	41.0
Improved compliance	36.1
Reduced costs	29.4
Don't know	17.7
Other	2.7

How will CX provided via AI and robotics impact cybersecurity? **n = 671**

Insight

Benefits weighed against potential new threats

Organizations continue to trade off the significant cybersecurity opportunities available through AI and robotics with the possible introduction of new threat areas.

The benefits of AI and robotics include reducing the need for human input (49.0%), improving cybersecurity analytics (46.9%) and contributing to faster incident response (41.0%). However, 63.9% are still to be convinced it will improve compliance.

In the Americas, every listed benefit of AI for cybersecurity is more widely recognized. The US is cited by most industry analysts as the world's largest cybersecurity market, which may lead to increased awareness among organizations there.

Europe is less likely to see accelerating incident response as a cybersecurity impact (33.3%, which is 7.7 percentage points lower than the global average). Europe does not have a good track record for incident response – according to the **NTT Risk: Value Report 2019**, only 50.4% of organizations in Europe have an incident response plan.

> ### Further reading
>
> Organizations that have adopted AI have more advanced cybersecurity, according to the Risk:Value Report 2019. The survey found that 88% of organizations believe strong cybersecurity has a big role to play in society – a figure that increases to 93% for organizations that have adopted AI.

Action

Be vigilant and informed

There is always a security trade-off with any new technology. On the one hand, AI-powered bots increase vulnerability by spanning firewalls and networks; on the other, they protect against human-induced risks by eliminating physical touches that are prone to errors and omissions.

Remain vigilant about cybersecurity vulnerabilities while implementing this emerging technology.
Employ auditors specializing in bot security to make sure your environment remains safe.

> The Institute of Electrical and Electronics Engineers (IEEE) and other apex organizations, including NTT Ltd., are working on standards to secure the ecosystem. These will include combining secure Software Development Life Cycle (SDLC) practices with bot-specific intrusion-prevention protocols, and virtual bot-testing environments. Click here for more information.

Part 3: Four key takeaways

1 **Plan to power your next-generation CX solutions with intelligent automation.** While RPA was focused on cost avoidance, intelligent automation solutions enhance business outcomes.

2 **Be realistic about charting your digital automation journey.** The age of AI/ML is upon us but, as is the case with any emerging technology, care must be taken to sift the reality from the hype.

3 **Build your intelligent automation team carefully.** They will drive your business throughout the decade. Be aware of the market – trained resources are scarce, so design rewards accordingly.

4 **Be extremely cautious on the security and ethics front.** Intelligent automation technology is still in its youth and incredibly complex, which can lead to unexpected outcomes.

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Spotlight on AI

Empathy, ethics and employee anxiety: practical considerations for implementing AI in CX
Contributors: Dr Harsh Vinayak, Jasmine Goh, Mike Wells, Diane Meyers

AI and machine learning will be the catalyst that enables human workforces to better serve customers through detailed listening and the predictive personalization of products and services. As with any emerging technology, there are still many unknowns and areas of concern. Being aware of these will assist in successfully aligning AI to a holistic CX strategy that augments both the customer and employee experience.

Ethics
How will the bots behave?

While a lot of work is being done to develop general AI algorithms, the reality is that only specific, tightly controlled problems have truly been solved through deep learning.

Issues such as social bias and targeting are still largely unaddressed. Facial recognition, for example, is being widely adopted, yet fresh concerns of poorly understood biases are disturbing.

There are some very real and valid concerns about how this technology will behave once it's 'let loose' in a live environment – it's simply too capricious at this point.

Understand the boundaries and limitations of AI and work around these until the technology becomes more sophisticated.

How secure are they?

In an automated process, bots fetch data from somewhere, do something with it, then post it somewhere else. As they're going beyond the safety of your firewall, they're more vulnerable to attack than software that runs inside the firewall.

Conduct a risk assessment and implement appropriate security controls for AI. Be transparent with customers about data use.

Empathy
Where is the human element?

The move towards personalization almost seems at odds with the implementation of bots that now perform tasks previously carried out by people. However, through deep learning, machines are slowly modeling empathy and learning how to recognize and respond to deep human emotions, such as pain.

This is an extremely expensive exercise that requires the use of quantum computers and hours of computing time, which means we're nowhere near production – yet. Once these deep learning algorithms have been refined and the right computing power is available, it will transform everything.

Empathy is where humans add value and can help improve automated interactions. For example, one of our insurance clients had started using chatbots that were failing to pick up natural language processing (NLP) and natural language understanding (NLU). Interactions were redirected to a human agent, who replied using natural language. By bringing the human agent and machine in the same session, the bot was able to learn from the agent's responses.

Don't separate automation initiatives from the human workforce: the best people to train machines are those who deal with customers on the frontline.

Employee concerns
Will I lose my job to a bot?

If not managed well, automation anxiety can affect employee morale, performance and attrition – as well as the outcome of automation projects.

It's not necessarily the technology behind automation initiatives that hinders successful implementation and adoption. If people aren't on board with the rationale for the change or don't see the value it adds to their work, they could well look for reasons for new solutions to fail. To overcome this:

- Involve the agents who are already talking to customers and resolving their issues. Bring them on board early so they can contribute ideas and help develop effective solutions.
- Show the value of automation – for example, in pushing mundane service inquiries to bots.
- Train people on how to work with machines so they can be more effective in their roles and meet performance targets.
- Appoint change champions to oversee the transition to new ways of working.

Where the human workforce stands to gain

In a typical business justification for automation, it's common that the ROI is usually based on reducing the human workforce, doing more with less, then ultimately cutting the workforce and replacing it with bots. **Employees who are first in line to familiarize themselves with the automation technology, becoming a super-user or administrator, would stand to gain when the inevitable happens.** In addition to adopting a new, very sought-after skillset, they also move their competency up the value chain when it comes to commanding a senior post or higher remuneration.

The harmonization between humans and AI will become critical to the successful adoption of automation and machine learning. Change management processes must focus on ways to build employees' trust in the technology so that they see it as a valuable addition to their work rather than a threat.

Accelerate your CX automation

AI and robotics are a core element of CX strategy and operational delivery. We understand the common challenges to realizing CX automation and have developed a **CX Automation Workshop** that focuses on three critical elements:

- understanding and exploiting the rapidly evolving automation discipline
- exploring the organizational capabilities required to develop a strong automation competency within the organization
- identifying specific candidate opportunities for automation and creating a blueprint for planned prioritization

Find out more by visiting our CX Advisory site.

Case study: SMBC Nikko Securities Inc.

SMBC Nikko Securities Inc. combines AI-driven chat with human operators to handle more inquiries without reducing quality

> So far, the challenge with having intelligent automation on the frontline of CX operations is the complexity of learning required to recognize language and sentiment – a far more nuanced and high-level activity than the back-office task of processing data.
>
> **As AI capabilities advance and automation moves from the back office to the front office, CX design will need to incorporate human connections where they matter most.**

For one of Japan's highest-quality contact centers, automated AI responses are an additional strength

A member of the Sumitomo Mitsui Financial Group, SMBC Nikko Securities Inc. provides support for individual asset formation, procurement of corporate financing and business strategy.

Customers can access the company's contact center through multiple channels: telephone, email, web chat and LINE, a free messaging app. The business needed a solution to address increasing call volumes and chose to investigate the use of AI driven chatbots.

We worked with SMBC Nikko to incorporate automatic responses by AI in addition to providing human operator responses via web chat and LINE. The solution we developed combines AI chatbots, to answer LINE chat inquiries, with our COTOHA Virtual Assistant, for natural conversation and collaboration.

COTOHA is a communication engine that draws on over 40 years of NTT R&D research to provide semantic analysis and context understanding. The online chat program uses Japanese language processing technology to identify variations in expressions and determine the intent behind them – for example, 'I want to open an account' or 'I want to start investing in the stock market'. If the intent can be recognized clearly, appropriate responses can be given.

'The AI chatbot responds to inquiries first and hands over the conversation to a human operator if a problem cannot be solved. Smooth role sharing is thus achieved.'

Hideki Inada, Tokyo Contact Center Manager, SMBC Nikko Securities Inc

> **As you make the transition to automation, pay attention to customer needs and don't neglect due diligence, design and testing.** Be deliberate in what you automate and maintain the human touch where it impacts CX the most.

6. Optimize performance

Adapt, adopt and align: accelerating the optimized CX ecosystem

49.8% **Organizations see the need to evolve and be agile, with one in five (20.9%) now saying they are proactive and growth-orientated; another half (49.8%) are open to change.**

51.6% **Just 51.6% list demonstrable return on investment as a top-three measure to review the effectiveness of technology projects.**

48.0% **48.0% acknowledge a need to optimize the workplace environment to meet the demands of an evolving workforce.**

To remain relevant in a rapidly changing world, organizations must adapt and optimize every aspect of their CX ecosystem.

Increasingly, customers want access to information, entertainment and physical products on demand, through highly consumable, immediate, personalized and usage-based mechanisms. This represents a major challenge for many organizations, as it requires the harmonization and optimization of their entire CX capability.

Many organizations are simply not structured to deliver CX in a connected manner, which makes it even more difficult to be agile when adapting to change.

Without a common baseline, CX will always be fragmented. It's therefore critical to create adaptive organizational structures, adopt the practices of the evolving workforce and align technology with CX outcomes to enable connected customer experiences.

Now, more than ever, organizations need to step back and look at things from a new perspective.

2020 Global Customer Experience Benchmarking Report | Optimize performance

Part 1: Industry insights

Customers are no longer passengers but drivers of the experience. To create powerful connections between the business, employees and customers, you need to optimize three things: the organization, its people and technology.

Can your organization deliver consistent CX and quickly adapt to change?

An adaptive operating model with agreed CX standards and cross-functional working groups form a tangible CX governance capability, allowing you to deliver consistent, organization-wide connected journeys.

A key challenge for many organizations is that they're simply not organizationally structured to deliver CX in a connected manner. Often, customer interactions are owned by multiple functions that are either not aligned or simply work differently.

To a certain extent, it's true that everyone in the organization is responsible for CX. However, as with every business function, you need someone to be accountable for providing a clear strategy, guiding principles and operating model.

An adaptive operating model with agreed CX standards and cross-functional working groups forms a tangible CX governance capability, allowing you to deliver consistent, organization-wide connected journeys.

Key considerations for ongoing organizational optimization

- **Develop an organizational culture with a clear, consistent approach to CX.** With everyone operating from the same baseline, it's much easier to be agile in response to change.

- **Adapt traditional silo-based operating models.** Create consistent experiences, regardless of function, across the entire customer lifecycle – from acquisition to maintenance. Service interactions should be as quick and easy for the customer as it was to purchase or sign up.

- **Remain highly adaptive.** Changes in market conditions and innovation are constantly reshaping required business capabilities, and customer and employee behaviours.

- **Balance customer needs with short-term financial gains.** Engage customers in designing and evolving channels and self-service-based models.

Just 33.4% of organizations say business functions align strategies and operating models to deliver and optimize CX.

Many organizations struggle to improve CX significantly because they rely on quick fixes rather than adapting their operating model to deliver core CX outcomes, while balancing mutual customer value propositions and business performance. **Process and technology may fill the cracks, but without a strong foundation of culture and structure, they'll keep coming back.**

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Are your people empowered to engage with customers in a meaningful way to create value?

A considered CX and employee experience (EX) culture and environment will set the scene for an optimized workforce where employee and customer satisfaction are the ultimate output.

It's well recognized that employees who feel energized and empowered will be more likely to engage with the organization and its goals, ultimately delivering improved CX.

As organizations strive to adapt to evolving business environments and manage changing customer expectations, they are challenged to create exceptional experiences for both their employees and their customers alike.

It's a myth that automation and digital transformation will result in less focus on people.
In fact, the human workforce will have to deal with more complex interactions – which means adopting new skills, technologies and working practices to optimize operational capability.

37.2% of organizations confirm a proactive approach to employee engagement in CX, where employees actively 'live the brand' and the voice of the employee is recognized and measured.

The question you need to be asking yourself today, if you want to remain relevant, is: 'Am I empowering my people to engage with customers in a meaningful way to create value?'

Failure to do so will at best impact growth today and at worst put your organization at risk of finding itself irrelevant in the future.

Focus on …

Tools and technology

- Give your customer-facing employees the **skills and tools** they need to delight your customers. Employees want simple, **intuitive tools** to carry out tasks, **provide insight** and stay connected with colleagues and customers – across multiple channels and touchpoints – regardless of location or device.

Learning and progression

- New skills and capabilities are needed to manage modern CX, particularly in in the areas of **data science** and **digital content management**. Adapt your **learning and career progression** methods to keep pace with how the emerging Millennial and Generation Z workforce want to learn and develop in their roles.

Automation anxiety will be an increasing aspect of managing future workforce wellbeing.
The human workforce needs to understand the role of automation and the impact of its adoption, recognizing it as a valuable support rather than a threat wherever possible.

Is technology a key enabler for aligning CX delivery with business outcomes?

Enhanced by appropriate technology, a strong CX-focused culture – where the business vision, employee energy and customer engagement meet – will help enable great CX and EX.

Just about everything is digital now, which means technology is becoming increasingly critical to enabling current and future CX capability. The focus is no longer on simply integrating channels but on using technology as a key enabler to align CX with business outcomes.

Less than half (44.9%) of CX operations are fully involved in or responsible for the design of their own technology needs.

It's a significant investment – but what you buy today may not be fit for purpose in 18 months' time. Organizations are looking to optimize investment in technology that both meets current needs and will allow them to adapt to changing business requirements. Hybrid ownership, consumption-based and outcome-based models are becoming the norm.

5 key CX technology outcomes

1. **Innovation and insight:** Identify the data that allows you to have context-based interactions and create relevant, personalized content to drive loyalty and value. Use data analytics to plan, improve and deliver real-time interactions and performance management.

2. **Optimized operating model:** Technology is central to supporting long-term integration, immediate connectivity and harmonized automation capabilities to accelerate your journey to organizational CX cohesion.

3. **Empowered CX workforce:** Connect employees to intuitive interfaces that provide content-rich, context-based interactions that help them support connected customer journeys.

4. **Connected customers:** Use technology that both aligns with business outcomes and is easy for customers to use.

5. **Security and protection:** Cybersecurity threats, emerging AI and robotic interfaces and the use of personal data increase the security risk of CX. Robust digital security is fundamental to CX technology alignment, not something that simply adds cost and complexity.
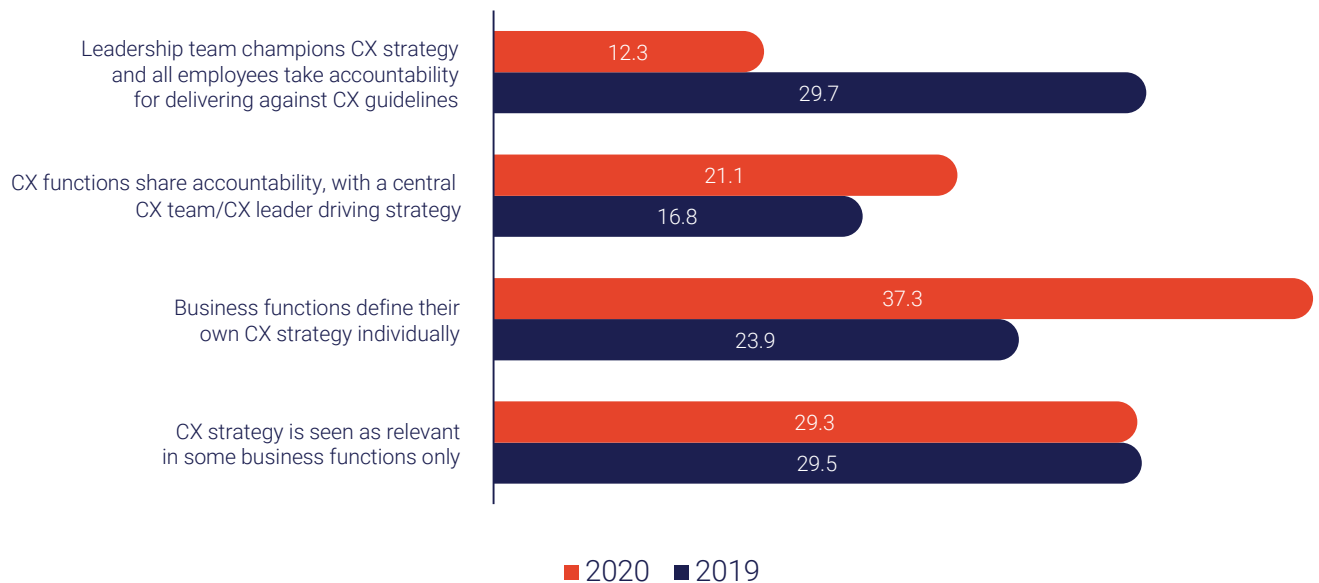
Part 2: Trends and analysis

6.1 Organization: adapt

6.1.1 Strategy and operating model alignment to deliver and optimize CX

> **A significant drop in leadership teams championing CX is causing siloed approaches to increase.**
>
> Just 33.4% of organizations say business functions align strategies and operating models to deliver and optimize CX; 29.3% say CX strategy is deemed relevant by only certain business areas.

Leadership team champions CX strategy and all employees take accountability for delivering against CX guidelines
- 12.3
- 29.7

CX functions share accountability, with a central CX team/CX leader driving strategy
- 21.1
- 16.8

Business functions define their own CX strategy individually
- 37.3
- 23.9

CX strategy is seen as relevant in some business functions only
- 29.3
- 29.5

■ 2020 ■ 2019

To what extent are your strategy and operating model aligned to deliver and optimize CX? **n = 601**

Insight

Increasing disconnect between functions

Last year's Report highlighted that 53.4% of CX operating models were being managed in silos or without organization-wide ownership, with strategies dictated separately by different functions. **This year, 66.6% of organizations say they don't apply an aligned CX strategy across the enterprise.** Of these, 37.3% define their strategies individually and 29.3% say CX is relevant only in some business functions.

The results from C-level executives are relatively consistent with the global benchmark. This indicates strategic-level awareness of the significant opportunity to optimize organizational delivery models.

Organizations that have optimized their CX strategy say their operating models and 52.1% of their business functions are strategically aligned to deliver an elevated CX, versus 33.4% overall.

There are some huge discrepancies between sectors in all four response categories.

Standouts include:

- 47.4% in the education sector say business functions define their own strategy.
- 59.3% in the public sector state CX is relevant only in some business functions.
- 42.9% in healthcare and pharmaceuticals have aligned strategies and operating models.

Action

Leadership support of CX is there but ownership is not

Business functions defining their own CX strategy individually plays to the concern that CX is still being managed in silos.
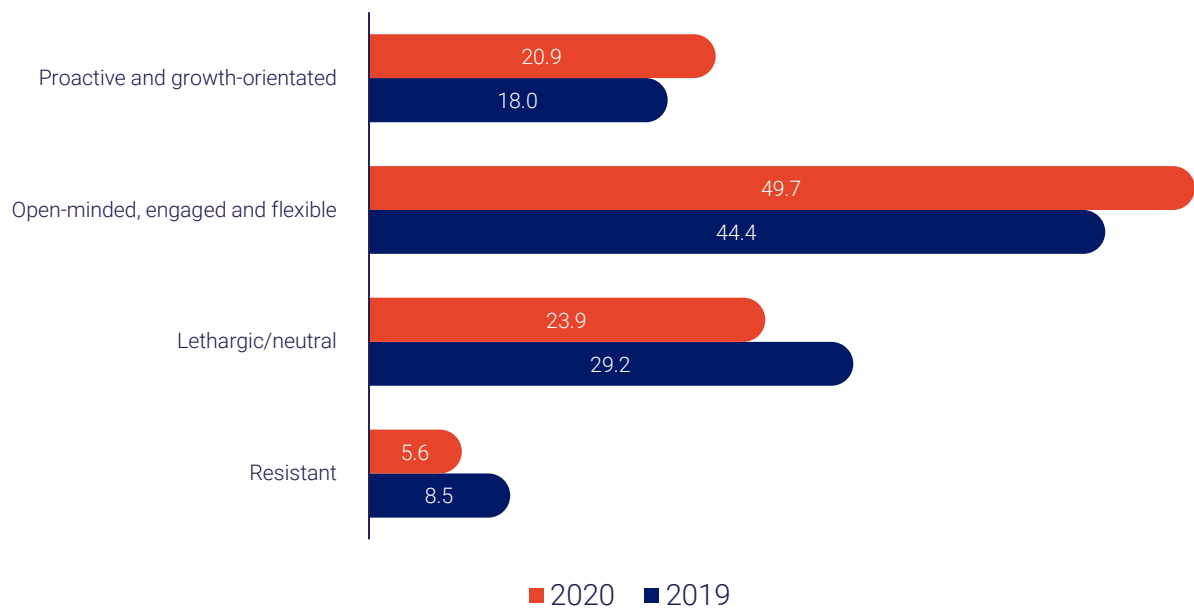
While organizations are recognizing CX as a major differentiator, overarching CX vision and direction is limited or non-existent. Leadership are still supporting CX but a lack of clear ownership is evident.

Ownership at a functional level is good as long as there are clear definitions and direction to achieve consistency across the organization. CX leadership must provide clear standards and governance centrally for consistent CX, regardless of who is managing it.

6.1.2 Organizational change

An appreciation of the need to be agile and maintain an open-minded approach to business transformation is rising.

One in five organizations (20.9%) are now proactive and growth-orientated and another half (49.7%) are open to change; just 5.6% remain resistant or in denial about evolving while the number of those that are lethargic or neutral is dropping

	2020	2019
Proactive and growth-orientated	20.9	18.0
Open-minded, engaged and flexible	49.7	44.4
Lethargic/neutral	23.9	29.2
Resistant	5.6	8.5

■2020 ■2019

What best describes your organization's approach to change? **n = 954**

Insight

Growing appreciation of need to be agile and open-minded to change

Over three-quarters (75.3%) of organizations in Asia Pacific are adopting a flexible and/or proactive approach. Australia and New Zealand have the most organizations that are lethargic or neutral (30.9%), or resistant to change (9.1%).

The requirement to evolve and reshape is recognized most at C-level, where just 3.0% of executives say their organization would be resistant to change, compared with 6.9% in managerial positions.

Overall, there's been a 21.8% drop in organizations that are lethargic or opposed to change.

However, the numbers spike when viewed by brand positioning: one-fifth (20.0%) of budget brands are resistant to change and 30.9% are neutral or lethargic, compared with 4.8% and 20.1% respectively in prestige brands.

The media and communications industry is the most agile, with over three-quarters (79.1%) being, at worst, open-minded to change. They're closely followed by companies in the technology sector (78.9%), with the sports, entertainment and hospitality sector right behind at 77.8%. Mindsets are most closed in the automotive and manufacturing sector, where 15.2% are resistant and 34.8% are lethargic or neutral, meaning just half (50.0%) embrace change.

Action

If you're not growing or maturing, you're failing

Consistent change is prevalent in organizations, as evidenced by increased business transformation activities. While the trend is towards flexibility and open-mindedness, one in three organizations remain lethargic or resistant to change – which has an impact on CX.

We talk about being proactive with customers to grow their loyalty and spend, so why are only a fifth of organizations adopting a business model that mirrors this?
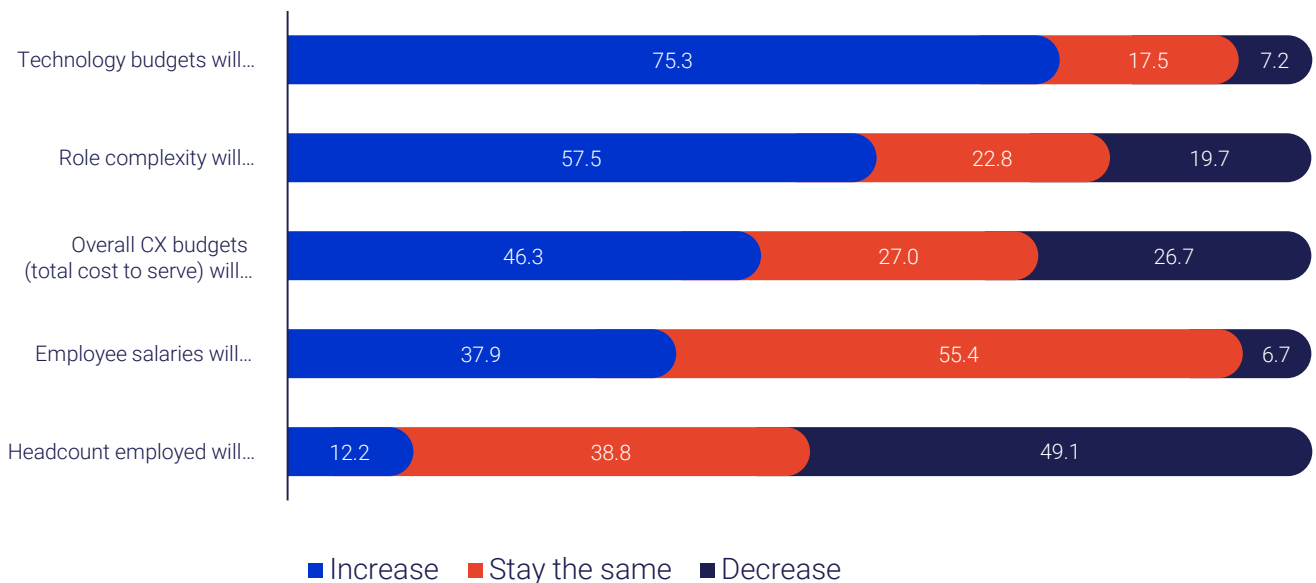
Transformation is no longer a choice. The world is changing so rapidly that being resilient or lethargic to change simply isn't an option. Those who are not growing or maturing are failing.

Embrace an accelerated approach to organizational change to remain adaptable in rapidly evolving environments.

6.1.3 Impact of digital transformation on operating models

Three-quarters of organizations (75.3%) anticipate increases to technology budgets, contrasting with 53.7% who expect overall budgets to stay the same or fall.

62.1% expect salaries to remain same or decrease, and half (49.1%) expect headcount to fall; yet 57.5% expect role complexity to increase.

	Increase	Stay the same	Decrease
Technology budgets will…	75.3	17.5	7.2
Role complexity will…	57.5	22.8	19.7
Overall CX budgets (total cost to serve) will…	46.3	27.0	26.7
Employee salaries will…	37.9	55.4	6.7
Headcount employed will…	12.2	38.8	49.1

■ Increase ■ Stay the same ■ Decrease

How will advancing digital transformation (including AI and robotics) impact your operating model in the next two years? **n = 762**

Insight

Greater dependence on technology; greater role complexity

The increasing focus placed on technology for CX is exemplified by the contrast between 53.7% of organizations forecasting that overall CX budgets will need to stay as is or be reduced in the coming two years, and over three-quarters (75.3%) expecting technology budgets to increase in the same period.

Dependency on technology across all CX channels – to better support human-led and/or assisted interactions as well as enable automation – is intensifying.

This is further evidenced by 57.5% of organizations expecting role complexity to increase, yet 62.1% project salaries will remain the same or decrease, and half (49.1%) also expect overall headcount to fall.

Effective planning, design and implementation of technology is the only answer to this conundrum.

Over half (51.6%) of customer service functions expect a decrease in headcount in the next two years. Media and communications, along with the retail and wholesale industry, are set to be most affected: almost two-thirds (66.0% and 65.7% respectively) anticipate cuts in headcount employed for customer service.

Action

High technology investments don't necessarily mean instant cost reductions

Technology is a growing investment for organizations seeking to create connected journeys supported by intelligent data.

Increased technology investment aligns with the demand for new technologies that provide efficiencies and support business transformation. The continuing shift in how organizations purchase and consume technology represents the need to future-proof the business and achieve cost efficiencies.

Interestingly, CX budgets will also increase – but not necessarily efficiently. Technology spend is seen as a precursor to gaining efficiencies by reducing workforce costs. This makes sense, but organizations should learn from the lessons of digital transformation. Cost reductions come once the technology is embedded and adopted, and this takes time. Siloed approaches to CX and the need to integrate legacy systems will also drive up costs.

Look at the longer-term, realistic impact of technology in relation to return on investment.

6.1.4 CX: live agent support

> **Automated CX is now the dominant channel set for 29.2% of organizations.**
>
> Over four in ten (46.5%) will provide 76% or more of their CX services through human-led and/or assisted channels; 15.6% provide 75% or more services through automated systems.

| <1%	1-10%	11-25%	26-50%	51-75%	76-100%
1.7	6.4	7.5	13.6	24.2	46.5
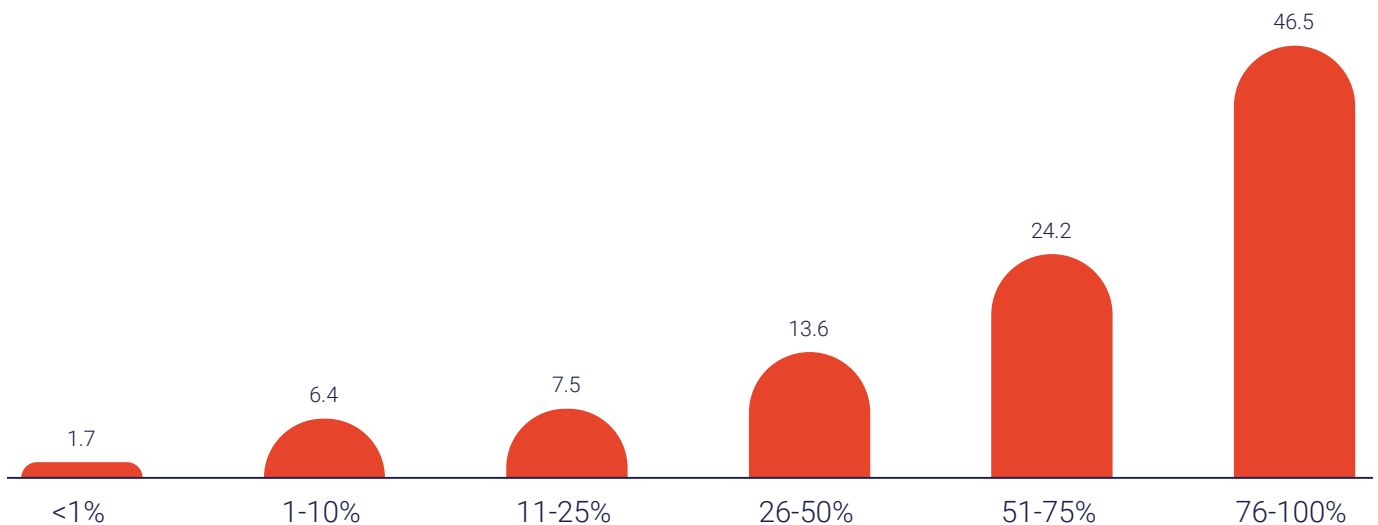
What percentage of your CX interactions is supported by live agents (i.e. in-person, by telephone and/or via assisted-service support)?
n = 832

6.1.5 CX support provided by telephone/in-person versus assisted-service

> **Over three-quarters (77.4%) of employees supporting CX do so via telephone and/or in person.**
> 22.6% of employees support CX via assisted-service channels, such as web chat and social media.

- Telephone/In-person
- Assisted-services (e.g. web chat, social media, etc.)

22.6%

77.4%
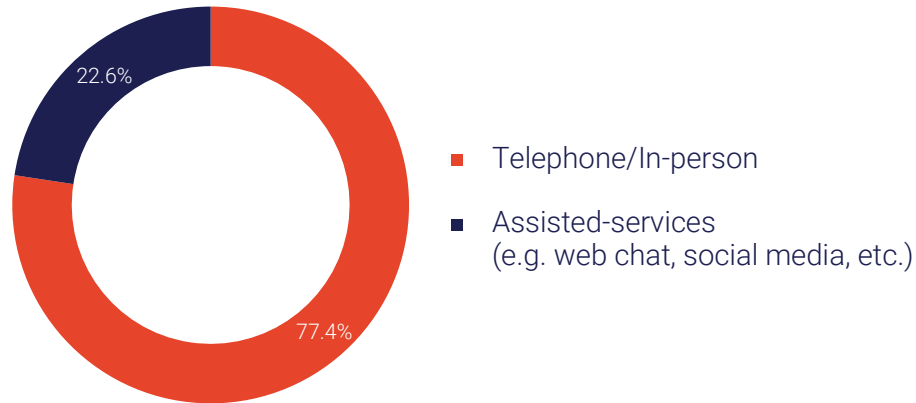
What's the split of employees providing CX support via telephone/in-person versus those providing assisted-service CX support? **n = 409**

Insight

Change is happening, but not as dramatically as some reports suggest

The inevitability of technology playing a greater role within CX in obvious, particularly as automated solution intelligence improves and users' comfort levels increase.

For now, automated CX is a dominant CX channel for only 29.2% of organizations (more than half their CX interactions are processed without human involvement). The number rises to 44.4% for organizations optimizing the progress of their CX strategy.

Just under half (49.1%) forecast a decrease in headcount within the next two years, and 70.7% still process most CX support via live agents. Of these, 46.5% say between 76% and 100% of activity is via human support, and 24.2% say it accounts for between 51% and 75% of CX volumes.

It's no surprise that the sectors where headcount reductions are most expected are those where levels of automation are currently among the highest: media and communications, and retail and wholesale.

More than three-quarters (77.4%) of agents providing CX support do so directly, either by telephone or in-person.
The remaining 22.6% work on assisted digital services, such as web chat and social media. The split is relatively consistent across industry sectors, with a variable of around 10%, the one exception being the sports, entertainment and hospitality sector, where activity is split at a more even 57.0% (telephone/in-person) and 43.0% (assisted-service support).

In keeping with their leadership on most digital CX matters, Asia Pacific leads the way in CX automation, followed by North America and Europe. Operations in Asia Pacific also have a lower proportion of resources allocated to direct support (70.2%). All the other regions fall into a range of 78.2% to 81.9%.

Action

Shift towards rebalancing and evolving self-service and automation

Organizations still rely heavily on human interaction, be it face-to-face, over the phone or via a digital interface on an assisted-service channel: 70.7% of organizations still administer over half of their CX support activity through channels requiring the human element. The number of organizations where automation is the dominant channel for CX (more than 50% of activity is administered by automation), is nearly 30%. As digitalization and automation increase and enable more self-service – particularly for transactional interactions – the need for human assistance will decrease.

These results highlight the importance of adopting adaptive business models and preparing the human workforce for change. Equip voice-only agents with the skills they will need to support more complex customer interactions in an advanced workplace environment.

6.1.6 Frequency of CX process review

Small improvements have been made in the frequency of process reviews across all three channel types.

Reviews occurring monthly or more range from 33.5% for automated channels to 44.9% for phone/in-person; an average of 20.9% of CX processes are reviewed only by exception, another 11.8% are never reviewed.

	Automated channels	Assisted-services	Telephone/In-person
Daily - it's a fundamental part of our CX transformation program	10.9	11.6	20.5
Monthly	22.6	25.7	24.4
Quarterly	14.2	17.8	18.3
Annually	14.0	12.4	9.6
Only by exception (e.g. complaints, implementation of new solution	22.6	19.0	21.1
Never	15.6	13.5	6.2

■ Automated channels ■ Assisted-services ■ Telephone/In-person

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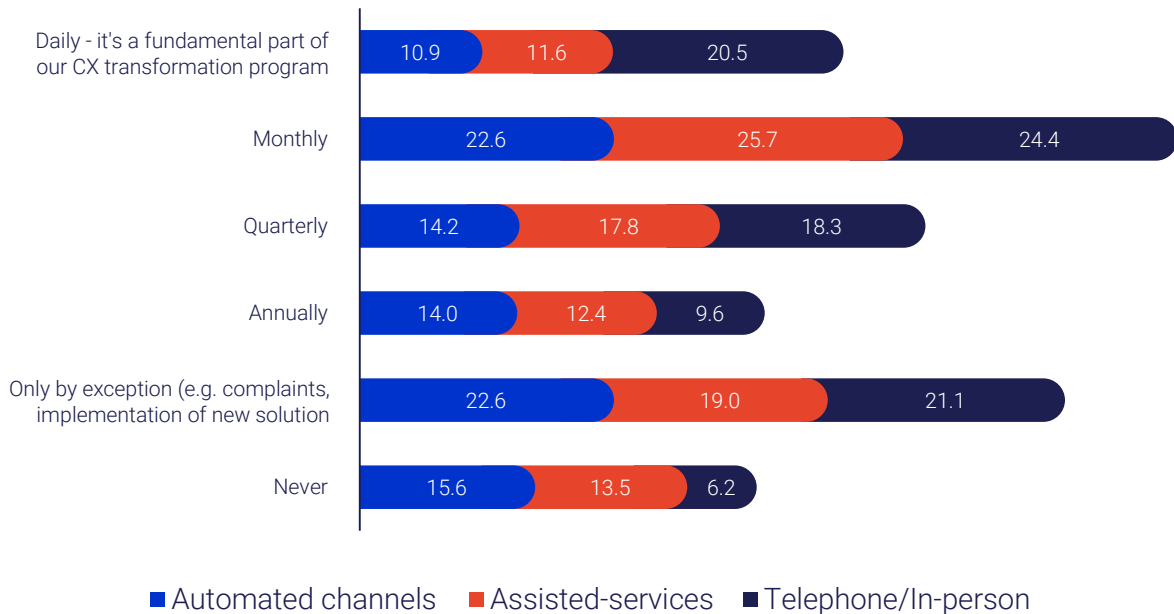
How often do you review CX processes? **n = 531**

Insight

Reviews more frequent overall, with growing focus on digital channels

This year's results show that 63.2% of organizations review telephone processes at least once a quarter; just 51.1% do the same for assisted-service solutions, and an even lower 47.7% for automated channels. The focus on digital channels, which have been somewhat neglected compared with more established solutions such as telephone, has increased slightly from last year.

Another improvement is the drop in CX processes that are either never reviewed or reviewed only by exception. Averages on from all channels fall from 35.0% in 2019 to 32.7% this year.

The occurrence and frequency of average process review is not as high in smaller organizations, indicating a more formal approach in larger enterprises. Just 5.8% of organizations with over 5,001 employees schedule no regular reviews, compared with 15.8% of organizations with 51 to 200 employees and 18.4% of those with fewer than 50.

Industry sector matters, too, with some placing more emphasis on regular review than others.

In the travel and transportation sector, an average of 24.7% of organizations conduct daily reviews; 34.1% do so monthly in healthcare and pharmaceuticals, and 22.0% of banking or investment businesses perform quarterly reviews.

Action

Regular reviews of all channels will enable consistent quality

Voice interactions, which are real-time, are reviewed and assessed more regularly due to their dynamic nature. In addition, voice contact through the contact center has been one of the most measured elements of most organizations' CX.

Generally, self-service and automated channels are perceived to cost less per interaction. For now, these channels are less embedded in standard governance process, and quality may suffer as a result. As they become more prevalent, governance and reviews will need to increase alongside the ongoing measurement of more traditional channels.

Organizations that are successful with self-service channels are using advanced analytics to manage and adapt them in near time, if not real time, to ensure consistent quality across all channels.

6.1.7 Measurement of cost per transaction and sales performance

The measurement of cost per transaction and sales performance (where relevant) is still being hugely neglected on digital channels.

Almost half (43.8%) can't track costs on assisted-service channel transactions; 44.1% can't track the cost on automated channels. It's a similar, if slightly worse, story for tracking sales performance.

Telephone/In-person — Cost per transaction: 89.5 — Sales performance: 73.7
Assisted-services — Cost per transaction: 56.2 — Sales performance: 49.1
Automated channels — Cost per transaction: 55.9 — Sales performance: 50.5

■ Cost per transaction ■ Sales performance
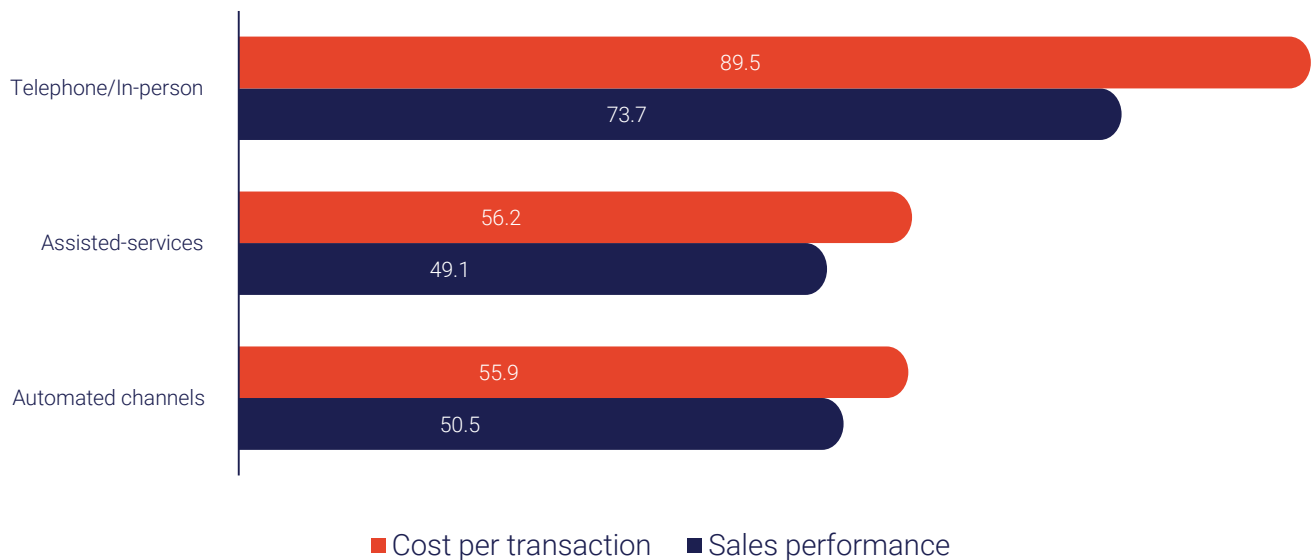
Are you able to measure cost per transaction/sales performance across contact channels? **n = 390**

Insight

Measurement of cost per transaction has advanced but is still widely neglected

In line with the small but steady progress to raise digital channels to the same level of discipline and process review that's standard on telephone channels, the tracking of cost per transaction, while still widely neglected, has advanced in part.

Improvements aside, the numbers make difficult reading and are hard to explain – particularly when being able to prove a return on investment (ROI) could well be the deciding factor for securing future technology spend.

Channels with a high degree of human involvement are under much greater scrutiny than fully automated or assisted-service channels. Some 89.5% of organizations measure costs on human-led transactions while just 56.2% (up from 53.1% in 2019) measure costs on assisted-service transactions and 55.9% (up from 40.3% in 2019) on automated channels.

The review of sales performance (where relevant) is even lower, which makes it extremely difficult for organizations to assess both the true cost and value of different channel paths. Without this intelligence, it's nearly impossible to design and manage an optimized customer journey.

Action

Ultimately, all channels should be treated equally

Currently, cost per transaction directly influences the degree to which processes and channels are monitored. Voice interactions are generally perceived to cost significantly more for both sales and service than assisted and automated channels. However, it can be easy for the hidden costs of digital to get lost.

Channel management is not just about cost control – it's also about the value and quality of CX. Organizations are increasingly asking their customers to adopt channels that are more cost-effective for the business. But customers will not accept a degradation in the quality of service they receive – and why should they?
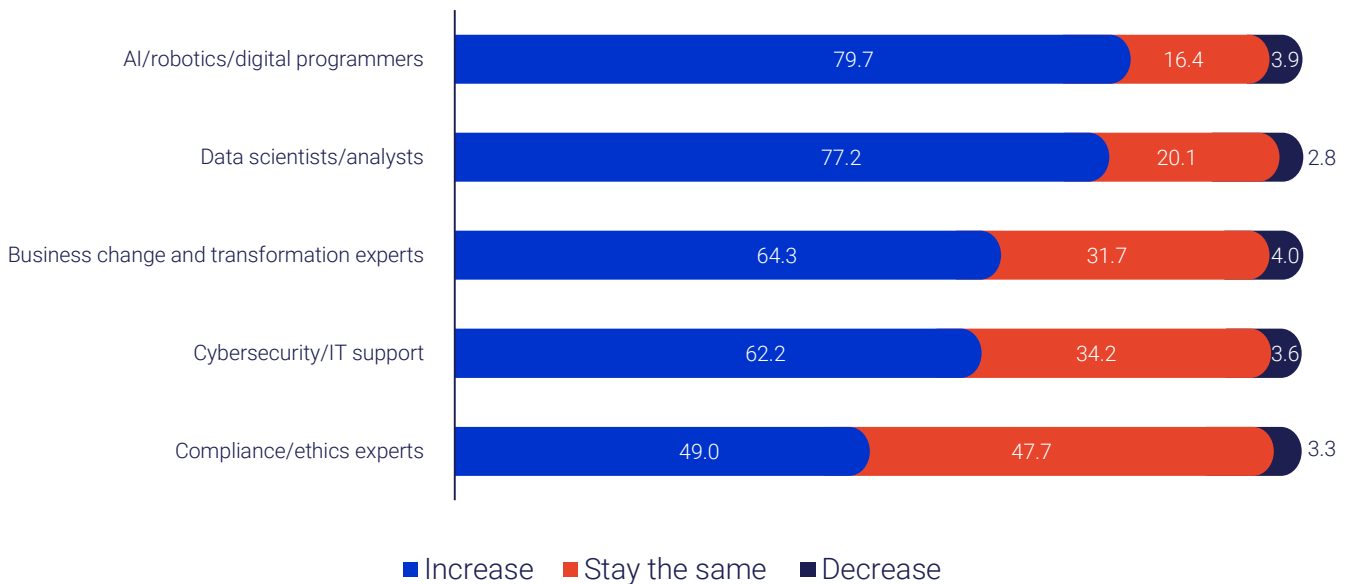
The adoption of new channels must balance customer preference and business performance. Make it attractive and easy for customers to migrate. If you're trusting the fate of your brand experience to assisted and automated channels, it's imperative to control them to the same degree as traditional voice channels, and monitor their performance against traditional channels to prove ROI.

6.2 People: adopt

6.2.1 Impact of digital transformation on skill needs

> **More than three-quarters of organizations identify AI and digital programmers, analysts and data science specialists as key to accelerating digital transformation.**
> Almost two-thirds (62.2%) recognize cybersecurity/IT support as a high-dependency area in need of improved skills/new resources; slightly more (64.3%) say the same for change management.

	Increase	Stay the same	Decrease
AI/robotics/digital programmers	79.7	16.4	3.9
Data scientists/analysts	77.2	20.1	2.8
Business change and transformation experts	64.3	31.7	4.0
Cybersecurity/IT support	62.2	34.2	3.6
Compliance/ethics experts	49.0	47.7	3.3

■ Increase ■ Stay the same ■ Decrease

How will advancing digital transformation (including robotics) impact your resource skill needs in the next two years? **n = 723**

Insight

Organizations adapting gradually to digitalization and changing customer behaviours

Organizational models and the adoption of new skills and ways of working are gradually adapting to meet, and be framed around, the digitalization of businesses and evolving customer behaviours. The skills shortage for emerging technologies has been identified as a top-five challenge inhibiting CX technology strategies (see Q1.11). The largest gaps sit with AI and digital programmers, analysts and data science specialists – areas where more than three-quarters of organizations have identified shortfalls in existing capabilities.

Some focus areas intensify for different sectors: 90.6% of insurance companies envisage an increasing need for data scientists/analysts in the next two years, while 88.2% of professional services businesses rank AI/robotics/digital programmers as their main need.

Organizations that have advanced their digital transformation have slightly less of a need to increase skilled resources than those whose transformation is in progress. There's clear pattern of resource skillset requirements being at their lowest for organizations still planning their strategy for CX. Specific skill support needs then graduate for those midway through the process, from development to in-progress, before ultimately spiking for organizations at a well-advanced stage. The numbers then settle down, efficiencies are gained and a degree of business as usual sets in when companies have optimized their strategy. This same pattern plays out at a regional level.

Action

Upskill as the operating model evolves

If you want to keep up with leading organizations, new and improved technology is unavoidable. AI/bots are becoming the entry point for customer interaction as the trend is towards managing repeat queries without human interaction and driving customers to self-service for frequently asked questions and processes.
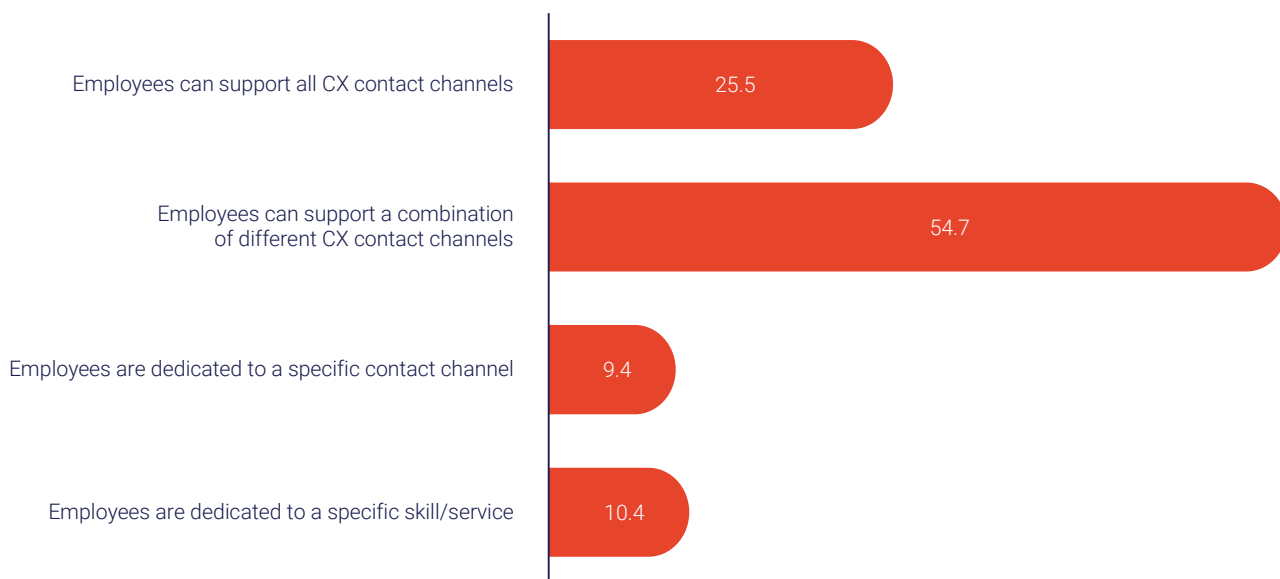
To address these skills challenges:

- **Identify your customers' needs.** How can you best address these through self-service offerings on websites or through services such as automated billing information?

- **Review the skills of your agents, employees and solution designers.** What skills does your team have to provide ongoing support as the operating model evolves? Where are skills required?

6.2.2 Preferred operating model to multiskilling employees

One-quarter (25.5%) of organizations have a model where employees can support all available CX contact channels.

The majority of employees (54.7%) are being skilled to support a combination of CX support channels; 19.8% remain dedicated to a specific channel and/or service within that channel.

Employees can support all CX contact channels	25.5
Employees can support a combination of different CX contact channels	54.7
Employees are dedicated to a specific contact channel	9.4
Employees are dedicated to a specific skill/service	10.4

What is your preferred model for multiskilling employees to support CX across multiple direct and assisted-service contact channels? **n = 541**

Insight

Frontline of CX being reshaped as technological capabilities advance

While 77.4% of agents still support CX directly via the telephone and/or in person, 22.6% supporting CX now doing so via assisted-service channels such as web chat and social media. The complexity of customer interactions may result in an operating model where teams specialize in a certain area.

Contact arrival patterns and channel coverage determine where there is a natural overlap for cross-skilling and the opportunity to redirect agents to assist other queues or support other channels.

Commercial factors also have a bearing: results show a lower level of multiskilling in regions where fully loaded employee costs are lower.

The most common model, adopted by 54.7% of organizations, is to strike a balance on multiskilling across a limited range of appropriate contact channels. Some 9.4% (double in the healthcare and pharmaceuticals sector) endeavour to dedicate resources to a single contact channel, while 10.4% fine-tune the model further and dedicate employees to a specific service.

One-quarter (25.5%) have a model where employees are skilled to support all available human-led/assisted channels. That number sinks to just 6.7% for those in the healthcare and pharmaceuticals sector.

Action

There is NO stopping the technology evolution

The progress to new operating models within organizations is not a quick one. Upskilling employees comes at a cost, in addition to new technology and support costs. Change management rises to the fore in helping the workforce adapt to and trust new ways of working, and reduce anxiety around job security.
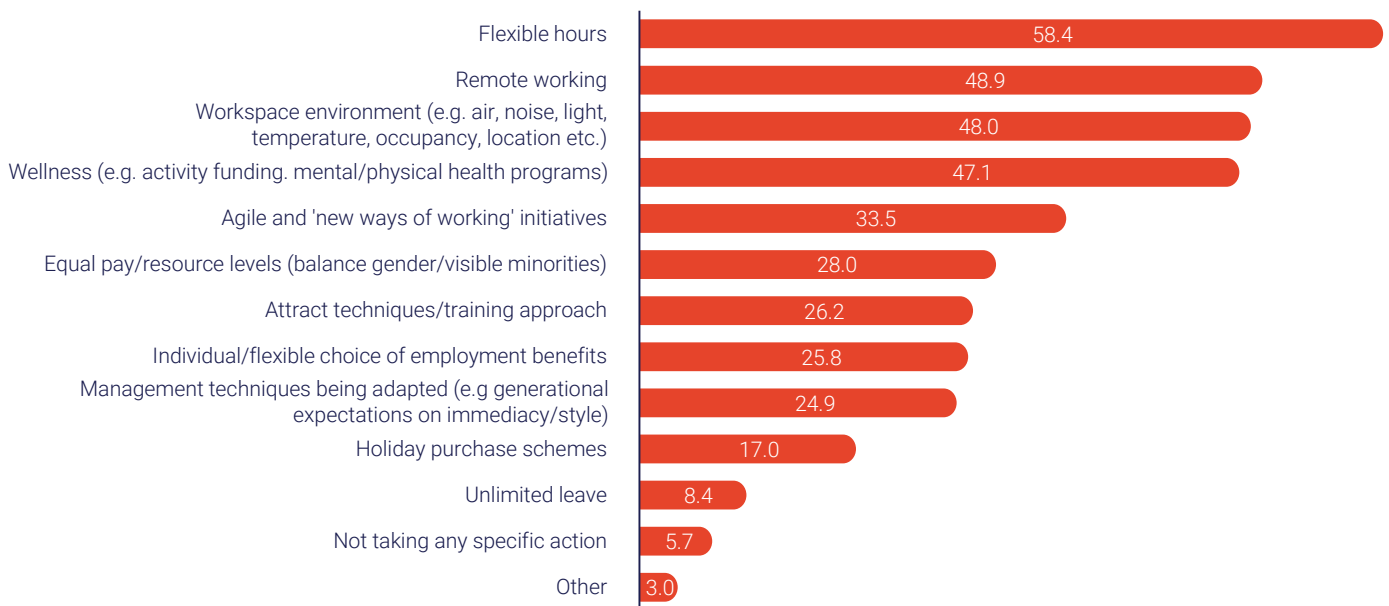
Change management and education across your workforce is essential:

- Get your employees on board with exciting new ways of work with improved technology and ease of operating.
- Take them on the journey to support CX and EX.
- Moving from KPIs to NPS can remove some of the pressure agents feel in servicing customers.
- Develop accelerated change management and transformation capabilities.

6.2.3a Strategies applied to meet demands of evolving workforce

Organizations are adapting by increasingly offering more flexibility through employee-centric operating models.

Almost half (48.0%) acknowledge a need to optimize the workplace environment; self-choice on employee benefits is now offered by 25.8%; 17.0% provide holiday purchase schemes, 8.4% unlimited leave.

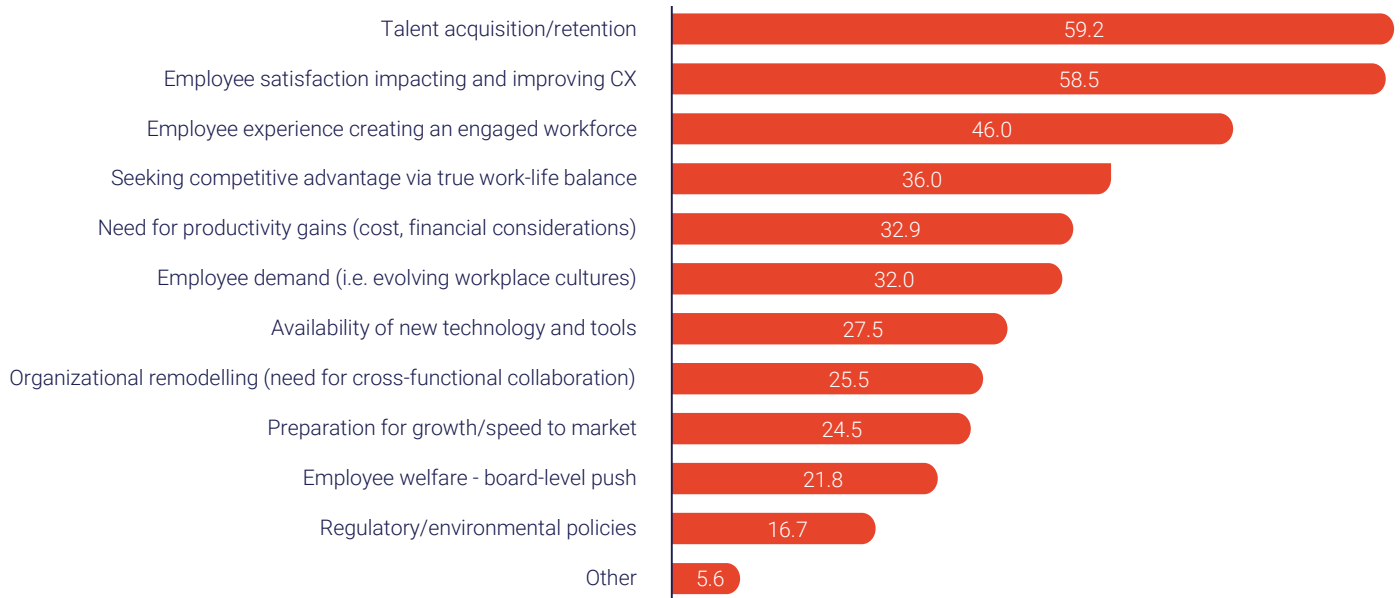| Strategy	%
Flexible hours	58.4
Remote working	48.9
Workspace environment (e.g. air, noise, light, temperature, occupancy, location etc.)	48.0
Wellness (e.g. activity funding. mental/physical health programs)	47.1
Agile and 'new ways of working' initiatives	33.5
Equal pay/resource levels (balance gender/visible minorities)	28.0
Attract techniques/training approach	26.2
Individual/flexible choice of employment benefits	25.8
Management techniques being adapted (e.g generational expectations on immediacy/style)	24.9
Holiday purchase schemes	17.0
Unlimited leave	8.4
Not taking any specific action	5.7
Other	3.0

What strategies are you applying to meet the demands of today's evolving workforce? **n = 558**

6.2.3b Drivers to implementing new working practices/organizational culture change

---

> **Talent acquisition, retention and employee satisfaction remain the standout drivers behind changing operating models and culture change.**
>
> More than one-third (36.0%) are motivated to becoming employers of choice by supporting improved work-life balance; almost half (46.0%) recognize that a commitment to EX helps ensure an engaged workforce.

Driver	Value
Talent acquisition/retention	59.2
Employee satisfaction impacting and improving CX	58.5
Employee experience creating an engaged workforce	46.0
Seeking competitive advantage via true work-life balance	36.0
Need for productivity gains (cost, financial considerations)	32.9
Employee demand (i.e. evolving workplace cultures)	32.0
Availability of new technology and tools	27.5
Organizational remodelling (need for cross-functional collaboration)	25.5
Preparation for growth/speed to market	24.5
Employee welfare - board-level push	21.8
Regulatory/environmental policies	16.7
Other	5.6

What are the main drivers to implementing new working practices and/or organizational culture change? **n = 556**

Insight

Employee-centric models offer more flexibility

As organizations adapt to meet the demands of their evolving workforce, many are moving towards more employee-centric operating models that offer greater flexibility.

As a consequence, there's been a rise in those offering flexible hours – again a top technique for enhancing employee satisfaction and meeting demands for a new workplace culture (seen as a driver by 32.0%). Flexible hours are now available in 58.4% of companies, and 78.6% in Australia and New Zealand. There's also been a 14.0% increase in those permitting some form of remote working. Not surprisingly, flexibility is determined largely by industry and the operating deliverable, so the numbers do vary by sector, operation type, and so on.

Emerging trends include 25.8% offering self-choice on employee benefits, and options around vacation allowances, for example holiday purchase schemes or an unlimited leave policy. Almost half (47.1%) now offer employee wellness programs with a view to encouraging good health.

The focus on talent acquisition and the retention of skilled resources has increased by 8.3 percentage points from 2019, to 59.2%, and is the number one driver for organizational culture change and the implementation of new working practices. Supporting improved work-life balance – a complementary effort towards becoming an employer of choice – has been adopted by 36.0% of organizations, with 21.8% stating that employee welfare is a board-level focus.

Employee satisfaction and its link to improving CX may have dropped a ranking position (it was top in 2019) but it remains a key focus for change in 58.5% of organizations, and second top driver overall. Rising from 29.8% to 32.9%, one-third are simply driven by financial considerations and the need for productivity gains.

Action

Focus strategy on the 'happy employee = happy customer' philosophy

Organizational change is about employee happiness as well as CX.

As the generational make-up of the workforce shifts, employers need to become more aware of the behaviours and demands of Millennial employees:

- Millennials are excited by technology. Building your strategy around both technology and people will accelerate the change your customers are wanting to see.
- They operate in a world of accelerated, on-demand services and want to see this same approach in their working environments.

- Services on site (such as wellbeing programs), optional benefits and shift selection to suit their personal lifestyles are some approaches. Benefits, services and working environments also rank high.
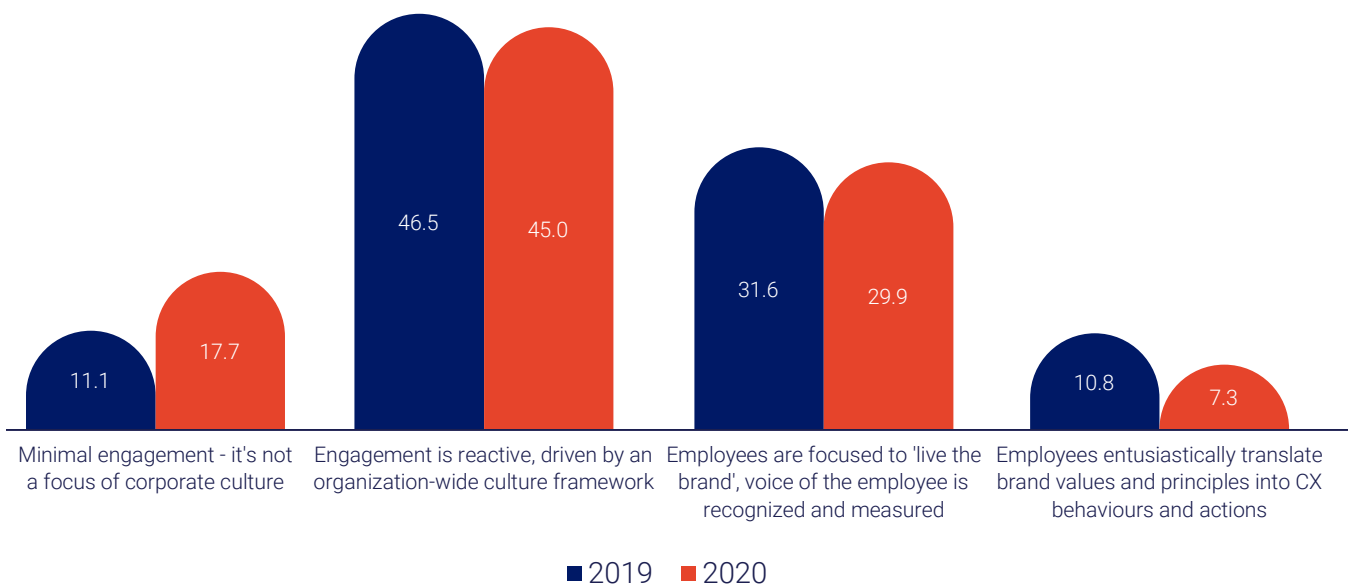- Millennials are not afraid of job change to improve their flexibility and work-life balance.

Many strategies for meeting employee needs come at a cost, so it's crucial to understand which key drivers and benefits to track. This will help establish which approaches work best and justify your investment in certain solutions.

Conduct a health check on your employee happiness through mechanisms such as eNPS, bottom-up surveys and feedback forums, and continually address unhappiness. Improvements to the workspace can make a significant impact, allowing employees to regroup in tough environments.

6.2.4a Employee engagement in CX

Most organizations are failing to be proactive about employee engagement and those that acknowledge that it's not a focus of corporate culture are rising.

37.2% do confirm a proactive approach, where employees actively 'live the brand' and the voice of the employee is recognized and measured.
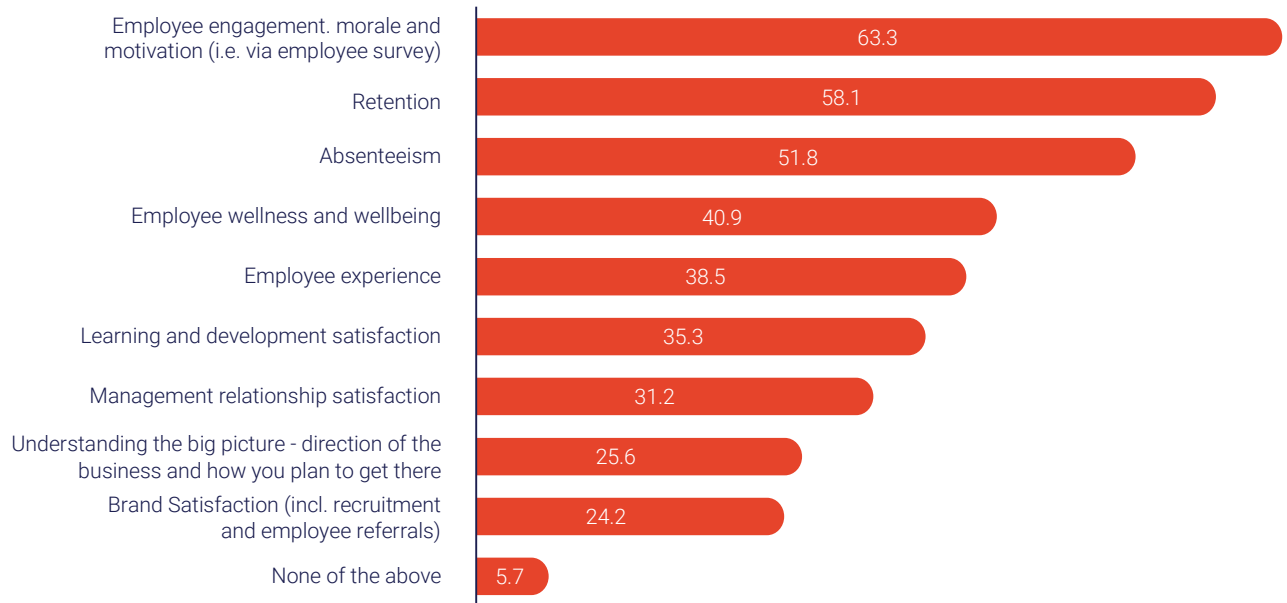

	Minimal engagement - it's not a focus of corporate culture	Engagement is reactive, driven by an organization-wide culture framework	Employees are focused to 'live the brand', voice of the employee is recognized and measured	Employees entusiastically translate brand values and principles into CX behaviours and actions
2019	11.1	46.5	31.6	10.8
2020	17.7	45.0	29.9	7.3

How engaged are employees in delivering CX? **n = 558**

6.2.4b Employee experience measurements

> **Rising slightly, almost two-thirds (63.3%) of organizations are now measuring employee engagement, morale and motivation levels.**
>
> Measurement of employees' brand satisfaction is up (22.2%), as is satisfaction with learning and development (up 20.9%); the focus on employee wellness and wellbeing rises only 7.6%.

Indicator	Value
Employee engagement. morale and motivation (i.e. via employee survey)	63.3
Retention	58.1
Absenteeism	51.8
Employee wellness and wellbeing	40.9
Employee experience	38.5
Learning and development satisfaction	35.3
Management relationship satisfaction	31.2
Understanding the big picture - direction of the business and how you plan to get there	25.6
Brand Satisfaction (incl. recruitment and employee referrals)	24.2
None of the above	5.7

Which of the following employee experience (EX) indicators do you measure? **n = 558**

Insight

Employee engagement in CX delivery has worsened

This year, 17.7% (representing a rise of over 50% from last year) of organizations say engagement levels are minimal and employee engagement is just not a focus of corporate culture. That number doubles to 33.3% for budget brands.

The number of organizations applying a proactive approach to driving employee engagement in CX delivery has also dropped, by 12.3%, from 42.4% to 37.2%

The results indicate that floor managers have a more realistic view of employee engagement levels than those in senior management roles or at board level, where the perception tends to be more positive than the benchmark position.

There's been a small rise, to 63.3%, in the number of organizations now measuring employee engagement, morale and motivation. These aspects are monitored most by organizations in North America, at 72.4%, but by only 55.0% in MEA.

Keeping tabs on employee wellness and wellbeing is becoming more important. It's risen 7.6% to 40.9% overall, although it's less of a focus for organizations in the retail and wholesale sector, where just 17.1% measure these aspects.

Other growing trends include **employee brand satisfaction,** which is up by 22.2%, and **employee satisfaction with learning and development** opportunities, up by 20.9%.

Action

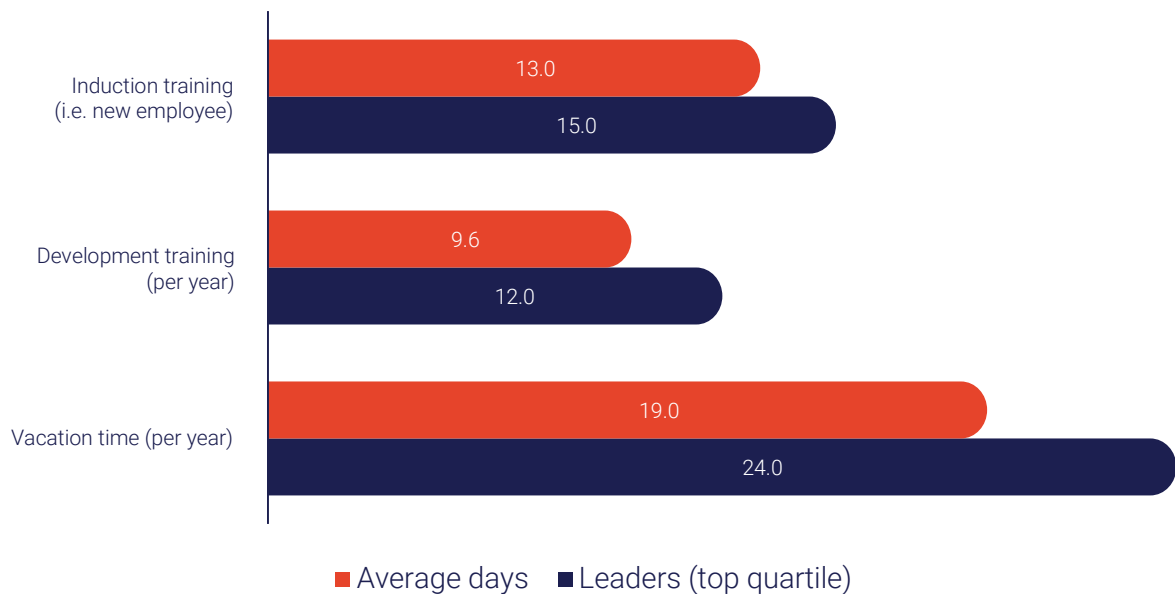### Organizations realize they need a happy workforce to defend brand reputation

The outcomes of employee engagement are far-reaching. Today's tech-savvy workforce feels entitled to share their working experiences – both good and bad – on social media.

To improve engagement:

- Listen to what your workforce is asking for.
- Implement initiatives to address survey feedback.
- Hold line managers accountable for employee happiness.
- To avoid survey fatigue, review exit interview information to obtain important insights into how employees are feeling.

6.2.5 Training and vacation allowances

> **Training allocations are rising in tandem with the increasing complexity of interactions and breadth of channels being supported.**
>
> Induction training allocations have risen 9.2% since last year and development training also rises; vacation allowances vary by region, but the standard is around four weeks.

	Average days	Leaders (top quartile)
Induction training (i.e. new employee)	13.0	15.0
Development training (per year)	9.6	12.0
Vacation time (per year)	19.0	24.0

How many days do you allocate for: **n = 427**

Insight

Training and vacation allowances notably more generous among organizations in the top quartile

There are also significant variances, particularly for new-entrant training, by sector, region, support function and brand positioning.

In recent years, the inclination towards e-learning as a top training preference (see next question) has seen training allowance days drop off. Instead, many e-learning modules are being blended into normal daily activities. The increasing complexity of interactions not being processed digitally now sees a reversal of that trend.

Induction training for new employees has increased from 11.9 days last year to 13.0 days, but is still short of the 15.6 days allocated in 2017. Development training is up half a day, to 9.6 days overall, and 12.0 days in the top quartile.

The benchmark for vacation time is maintained at around four weeks off (19.0 days). Europeans benefit from the most generous models, with 24.6 days, whereas employees in Asia Pacific receive only 15.1 days and those in North America, 15.9. However, it's not always a like-for-like comparison, as employment contracts are crafted differently across regions.

Action

Be the employer of choice

Induction, development training and vacation time all relate to employee wellbeing. Training time will always depend on the complexity of the job but all learning methods should support employee engagement, as ongoing development encourages continued commitment. Leave days provide valued rest time as a reward for employees.
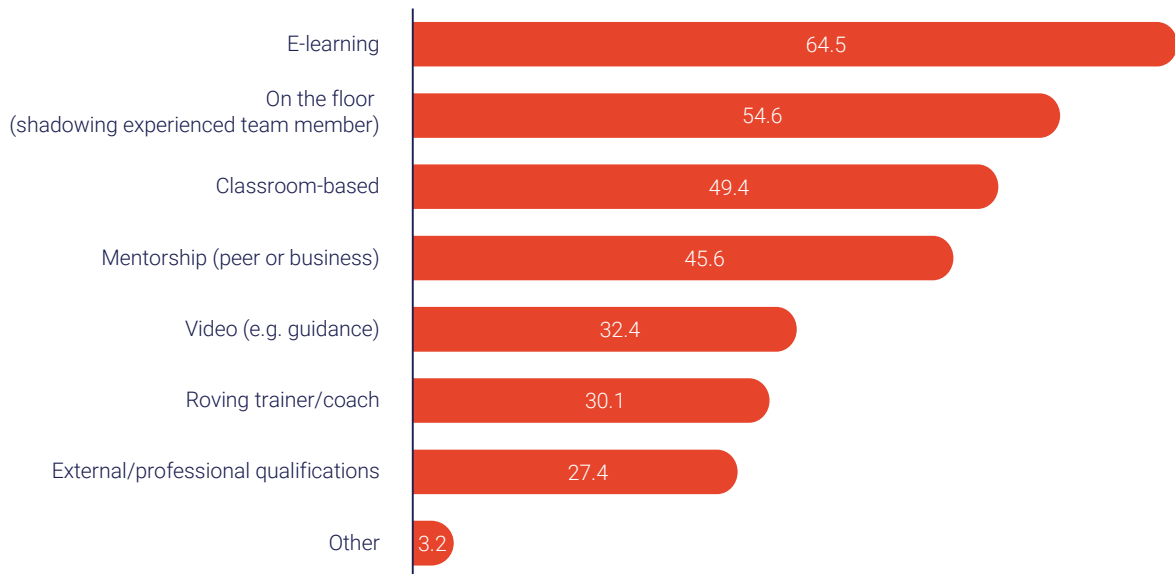
To improve your employer-of-choice status:

- See which benefits your competitors offer employees and assess whether these are of value.
- Assess your people value proposition and what employer of choice organizations are achieving. This is a good benchmark from which to drive change.

6.2.6 Effective training techniques

E-learning cements its position as the preferred training technique for today's evolving workforce needs.

Mentorship guidance is trending and recognized as an effective technique by 45.6% of CX operators; less than half (49.4%) now favour a traditional classroom-based approach.

Training technique	Value
E-learning	64.5
On the floor (shadowing experienced team member)	54.6
Classroom-based	49.4
Mentorship (peer or business)	45.6
Video (e.g. guidance)	32.4
Roving trainer/coach	30.1
External/professional qualifications	27.4
Other	3.2

What are the most effective training techniques for today's evolving workforce? **n = 555**

Insight

E-learning most popular but classroom-based still a core option

Last year's Report highlighted the surge in the adoption of e-learning as it became recognized as the most effective training technique, with deployments having doubled from 2017 to 2019. It's cemented that position and is a preferred option for two-thirds (64.5%) of CX teams (and to a high of 77.8% in the public sector).

In the same period, classroom-based training has dropped in popularity, but it's important to acknowledge that it's still a core option and confirmed as the most effective technique for almost half (49.4%) of organizations. It's particularly popular in the public sector and, at 70.4%, is second only to e-learning.

Mentorship is a growing trend. While a preferred technique for 45.6% globally, it's in place for half or more CX operations in the education, insurance, hospitality, professional services, and retail and wholesale industries, but adopted by just 26.1% in energy and utilities. The use of external or professional courses also sees a slight increase, rising to 27.4% overall and a high of 32.9% in Asia Pacific.

Action

Time to review your full employee lifecycle and internal ecosystem

More employees are asking for technology to work more effectively and for organizations to implement more tech and AI. What better way to demonstrate this than with a new way of learning?
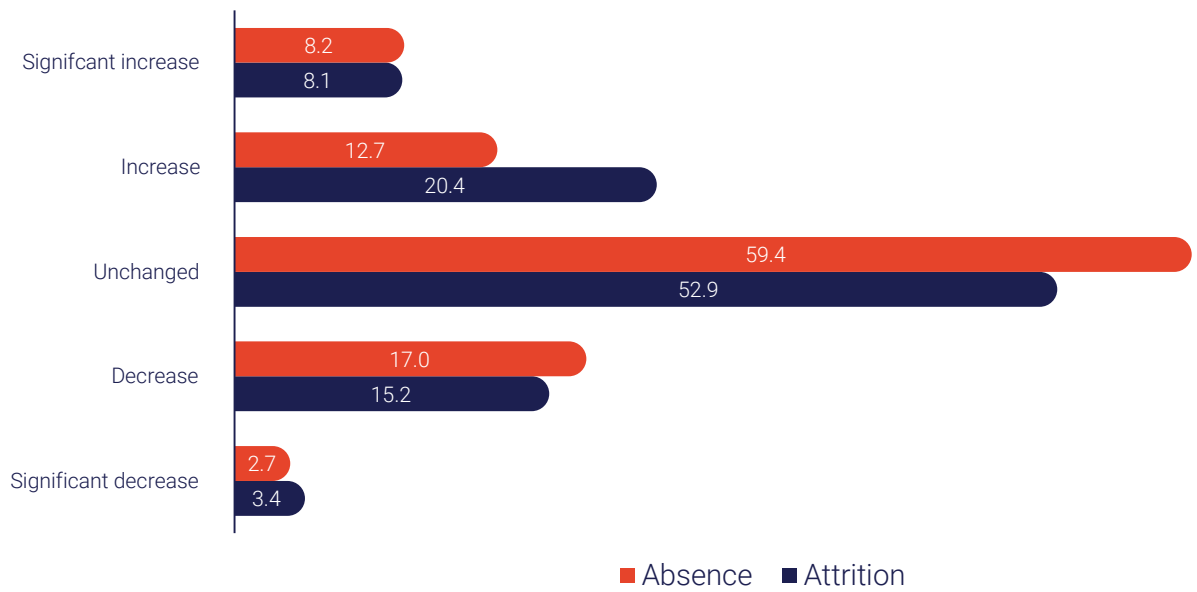
E-learning helps meet the needs of your people, shifting attitudes towards technology at work with both an internal, learning approach and an external, customer approach.

Simulated training and practical assessments outweigh the mundane classroom approach. Identify where automation can be implemented and integrated across systems, and where learning can be moved to tablets, replacing paper-based learning and old methods.

6.2.7 Impact of business transformation on absence and attrition

> **Nearly one in three (28.5%) organizations relate increases in attrition to their digital and business transformation initiatives.**
>
> Some organizations report a positive impact, where absenteeism and attrition have decreased (by 19.7% and 18.6% respectively); over half have experienced no change.

	Absence	Attrition
Significant increase	8.2	8.1
Increase	12.7	20.4
Unchanged	59.4	52.9
Decrease	17.0	15.2
Significant decrease	2.7	3.4

What impact have business and digital transformation initiatives had on absence and attrition in the last two years? **n = 554**

Insight

Business and digital transformation affecting organizations differently

This year, 20.9% of organizations say that business and digital transformation initiatives have resulted in an increase in absenteeism in the last two years. Equally, 19.7% say that absence has instead decreased. The net impact seems negligible until we explore the depth of the impact: 8.2% say it led to significant increases versus just 2.7% that had significant decreases in absences.

The effect of transformation initiatives appears to be hitting harder from an attrition perspective. Nearly one in three (28.5%) have experienced a rise in attrition, but just 18.6% have seen it decrease.

An organization's towards an optimized CX strategy is also a factor. Those whose CX strategies are optimized have experienced the most impact in terms of attrition and absenteeism as the pace of change picks up and the embedding of new practices unsettle some of the affected employees. The technology sector stands out as the industry with the most change in attrition and absenteeism.

Action

Make people part of the transition to improved technology and ways of working

Change is inevitable if organizations are to remain relevant. It's the pace of change and employee attitudes towards the change where focus needs to be applied.

If the employee has not been an integral part of the strategy, there may be anxiety about job losses, resulting in attrition. If people aren't fully on board with the change, this will have a negative impact on the transition.
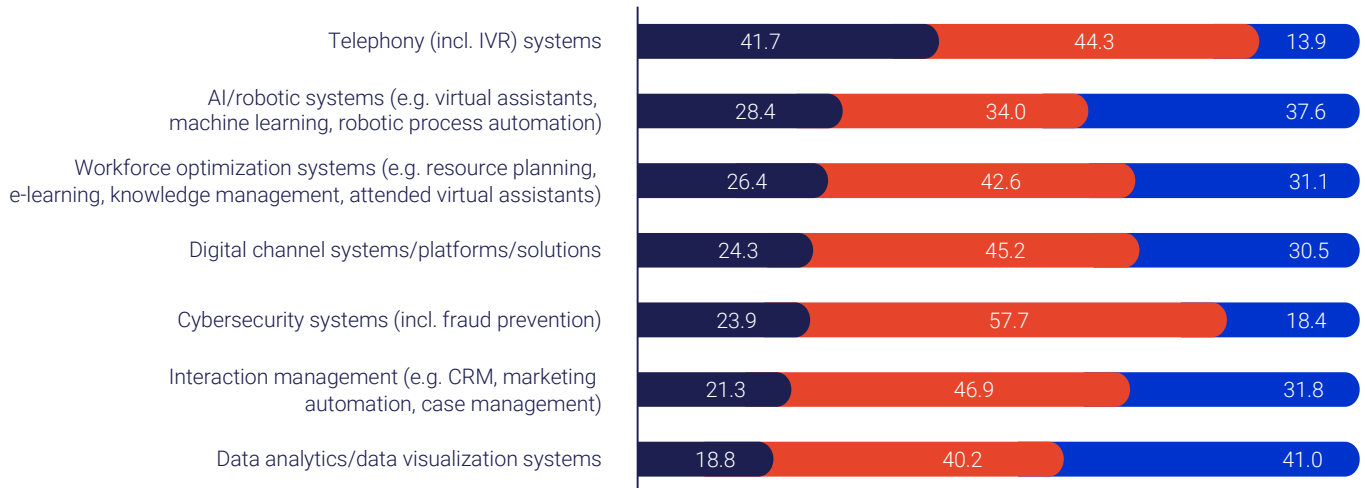
Clearly demonstrate the benefits of transformation – such as the ease of operating and building new skills – so employees embrace rather than resist change.

6.3 Technology: align

6.3.1 How well technology systems meet current and future needs

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Nearly one in three organizations (29.2%) say their technology systems are failing to meet current needs.

For the sixth year running, analytics is voted as the top game-changing technology for the future, yet it remains the technology area organizations struggle with most and shows the least year-on-year progress.

Technology	Meets current and future needs	Meets current needs	Doesn't meet current needs
Telephony (incl. IVR) systems	41.7	44.3	13.9
AI/robotic systems (e.g. virtual assistants, machine learning, robotic process automation)	28.4	34.0	37.6
Workforce optimization systems (e.g. resource planning, e-learning, knowledge management, attended virtual assistants)	26.4	42.6	31.1
Digital channel systems/platforms/solutions	24.3	45.2	30.5
Cybersecurity systems (incl. fraud prevention)	23.9	57.7	18.4
Interaction management (e.g. CRM, marketing automation, case management)	21.3	46.9	31.8
Data analytics/data visualization systems	18.8	40.2	41.0

■ Meets current and future needs   ■ Meets current needs   ■ Doesn't meet current needs

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How well do the following technology systems meet your current and future needs? **n = 539**

Insight

Organizational readiness does not align with technology opportunities

An average of 29.2% or organizations indicate that technology systems are not adequate for their current needs (31.0% in 2019), while 73.6% (77.7% in 2019) also say their existing solutions will not meet future needs.

For six years in succession, analytics is deemed the top factor overall that will change the CX landscape. Yet, it remains the area where organizations are least ready: 41.0% say their data analytics/data visualization systems fail to meet current needs. AI and robotics is the fastest-growing technology trend to reshape CX, yet is a concern for 71.6% of companies preparing themselves for the future.

While the numbers improve significantly for organizations that have designed, formalized and optimized their CX strategy, these gaps will pose significant risks for organizations leaving them unattended. A case in point is comfort levels on cybersecurity, which has become a prerequisite for almost every technology solution.

For now, 81.6% are comfortable their cybersecurity needs are being met but just 23.9% are confident those systems, if left as is, will meet tomorrow's challenge and enable the onboarding of future solutions.

Action

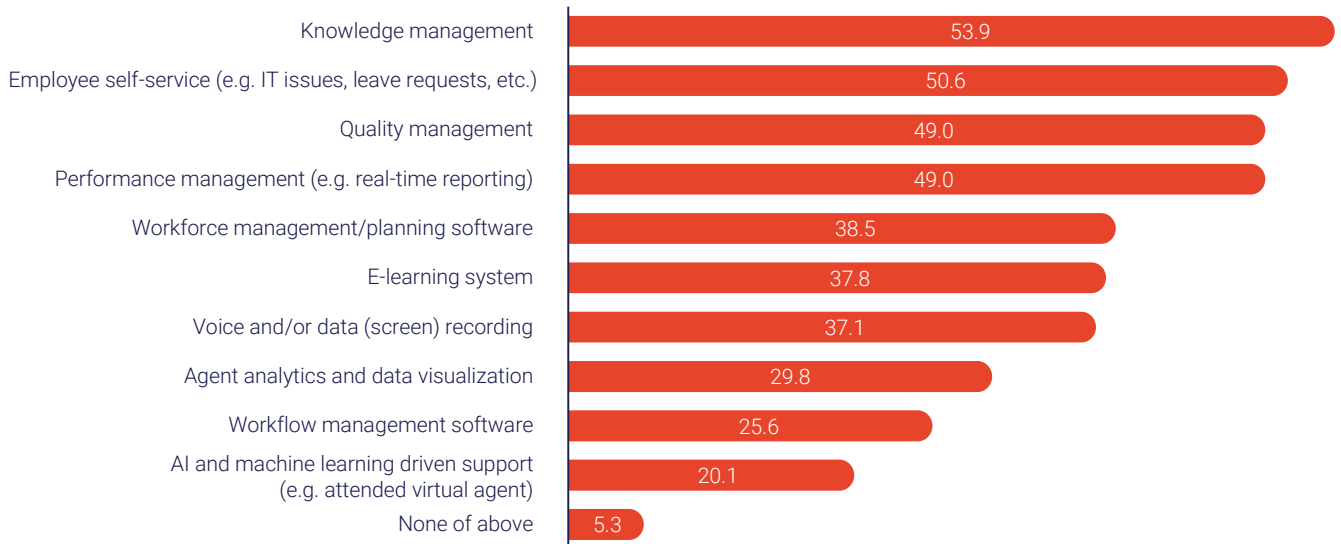### Technology readiness an indicator of strategy maturity

Individual opinions on self-readiness in using technology to execute CX strategy not only demonstrate the technological advancement of the organization, they also hint at the maturity of a coherent CX strategy that technology can effectively enable.

The responses show a lack of confidence in technology being able to deliver results if left as is. While there is some optimism with regard to cybersecurity, this may warrant further scrutiny, as it could demonstrate a lack of awareness of security and compliance with the overall CX strategy.

Organizations need to focus on designing, formalizing and optimizing a CX strategy that technology can predictably align to in the future.

6.3.2 Technologies enabling workplace productivity

> **Emerging AI and machine learning support are already used by more than one in five (20.1%) organizations to advance productivity capabilities.**
>
> Over half (50.6%) are leveraging employee self-service systems to support EX and improve productivity; usage of agent analytics remains low and available to under a third (29.8%).

Technology	Value
Knowledge management	53.9
Employee self-service (e.g. IT issues, leave requests, etc.)	50.6
Quality management	49.0
Performance management (e.g. real-time reporting)	49.0
Workforce management/planning software	38.5
E-learning system	37.8
Voice and/or data (screen) recording	37.1
Agent analytics and data visualization	29.8
Workflow management software	25.6
AI and machine learning driven support (e.g. attended virtual agent)	20.1
None of above	5.3

What technology systems are you using to help enable workplace productivity? **n = 571**

Insight

Drop in use of knowledge management and agent analytics

Knowledge management is deployed by just over half of all organizations (53.9%) but has dropped from 68.5% just three years ago. AI and machine learning are undoubtedly filling part of the gap, and are already a favoured technique for 20.1% of organizations, particularly so those in Asia Pacific, where capabilities rise to nearly one in three (31.1%).

While there is a broad range of tools being used, and preferences vary by region, sector and operation type, overall there appears to be a reduced level of capability. This could indicate a diminished focus on productivity as a key driver, as outcome-favoured metrics (not least of which is CX) become increasingly favoured.

The surprising drop-off in agent analytics systems continues. It's fallen from 53.8% in 2017 to 38.5% in 2019 and is now at 29.8%.
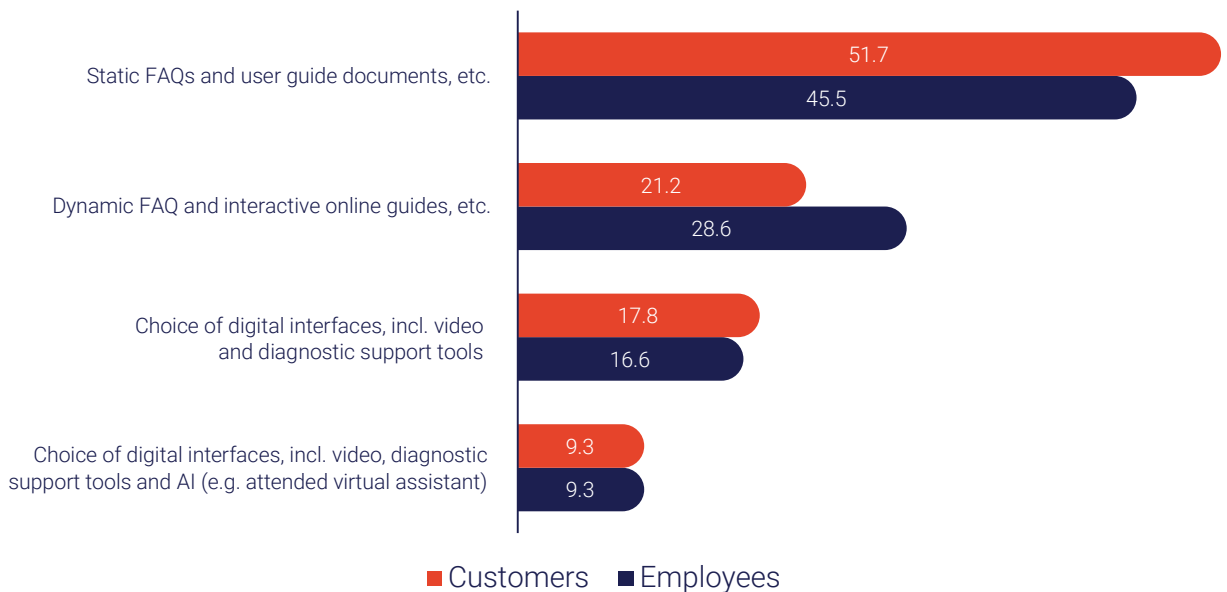
Action

Coherent strategy essential for harmonizing digital and human workforce

These trends clearly show a shift of focus away from improving employee productivity and towards outcomes-based metrics for digital solutions that negate or reduce human interaction. The reduced use of systems such as e-learning seems contrary to the industry's recognition of the need for effective adoption and change management practices, as the effective use of technology can assist in efficiently addressing these issues.

Technology systems such as e-learning, workforce optimization and self-service can be effective only if they align with a coherent CX and organizational strategy. There needs to be a level of maturity in the CX and organization strategy to define the working harmony between digital and people, and identifing how people remain key to organizations.

6.3.3 Knowledge management systems: support for customers and employees

A growing, and increasingly advanced, choice of knowledge management interfaces is being deployed.

51.7% still make traditional (and static) knowledge management systems available for customer use; 45.5% provide the same for employee reference and to enable CX.

Static FAQs and user guide documents, etc. — 51.7 / 45.5
Dynamic FAQ and interactive online guides, etc. — 21.2 / 28.6
Choice of digital interfaces, incl. video and diagnostic support tools — 17.8 / 16.6
Choice of digital interfaces, incl. video, diagnostic support tools and AI (e.g. attended virtual assistant) — 9.3 / 9.3

■ Customers ■ Employees

Users: How are knowledge management systems being used to better inform customers and employees to enhance or enable CX? **n = 290**

Insight

Advanced strategies, advanced solutions

Of the 53.9% of organizations with knowledge management capability, most are limited to traditional systems such as static FAQs and user guides. Yet, over two-thirds of organizations with a well-advanced or optimized CX strategy have access to more advanced solutions – appreciably more than the average of just under a quarter that have access to these solutions.

There's an increasingly advanced and widening choice of knowledge management interfaces being deployed both for customers and, separately, to better enable internal resources. The number of organizations offering customers access to a variety of digital and interactive functionality has risen from 16.0%, to 27.1%. For 9.3%, this functionality now also includes access to AI systems (up from 3.6% just a year ago).

There's a general alignment between deployment levels and solution types to support customer and employee knowledge management needs. If anything, employees are slightly better enabled and, at 28.6%, are likely to have more access to dynamic FAQs and interactive online guides than customers enjoy (at just 21.2%).

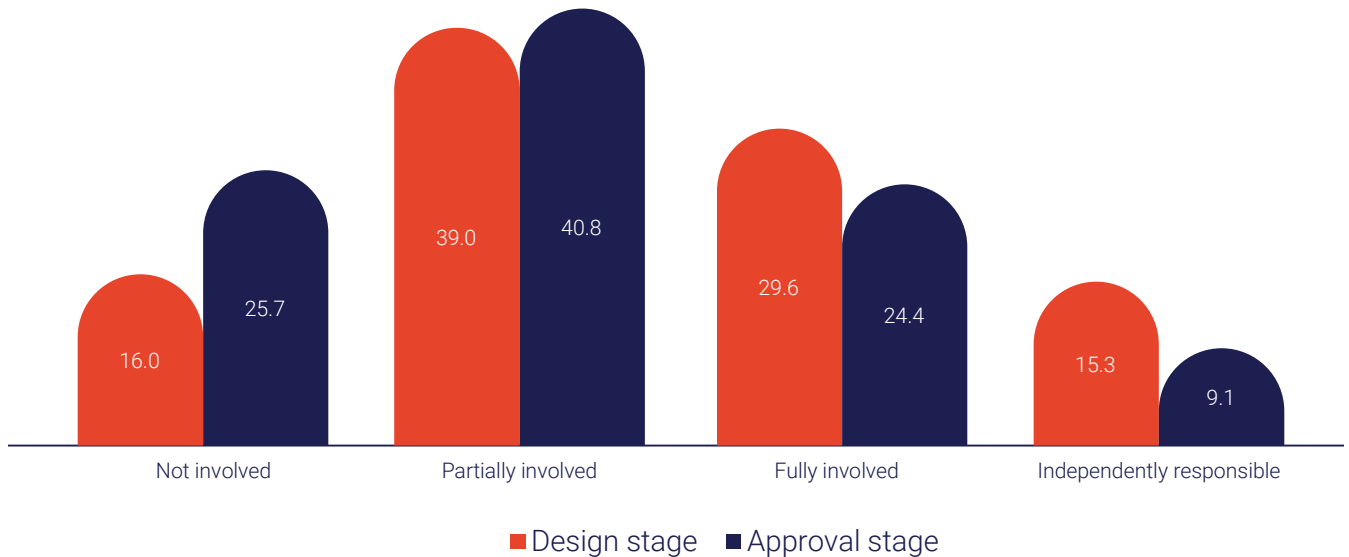## Action

Align systems with CX and adoption strategies

Technology and digital tools have been recognized as a clear route to add value in both customer and employee interactions. However, they are only successful with clear adoption, effective uses and ongoing measurement.

A dynamic knowledge management system aligned with a clear CX and adoption strategy is critical to drive digital customer and employee experiences and, in turn, improved business performance.

To deliver a dynamic, proactive enablement service based on desired outcomes, look at the intended audience as well as the technology.

6.3.4 CX team involvement in technology decisions

Less than half (44.9%) of CX operations are fully involved in or responsible for the design of their own technology needs.

Even fewer are involved in the approval stage, meaning that the number of decisions made without full stakeholder consultation is increasing.

	Not involved	Partially involved	Fully involved	Independently responsible
Design stage	16.0	39.0	29.6	15.3
Approval stage	25.7	40.8	24.4	9.1

■ Design stage ■ Approval stage

How involved is the CX team in the technology decision-making process? **n = 567**

Insight

Limited involvement of CX teams in technology decisions

Seeing virtually no progress since our last review, over half (55.0%) of operations are being hindered by an organizational approach that sees CX teams having no involvement or, at best, just partial involvement in the design stage of new solutions: an improvement of just 4.7% from 2019's results.

Even fewer CX teams have the authority to approve new technology systems. Only one-third (33.5%) are fully involved in decision-making or directly responsible for signing off on the functionality and delivery of new solutions. One-quarter (25.7%) have no involvement in the approval stage whatsoever.

Some minor peaks or troughs aside, these global patterns are generally reflected across all regions and industry sectors. The one exception (again) is organizations that have optimized their CX strategy – approaching three-quarters (72.1%) are fully involved in or directly responsible for the design stage, and 54.7% (versus a global benchmark of 33.5%) are involved in or take the lead on approvals.

Action

Limited recognition of importance of CX strategy to technology decisions
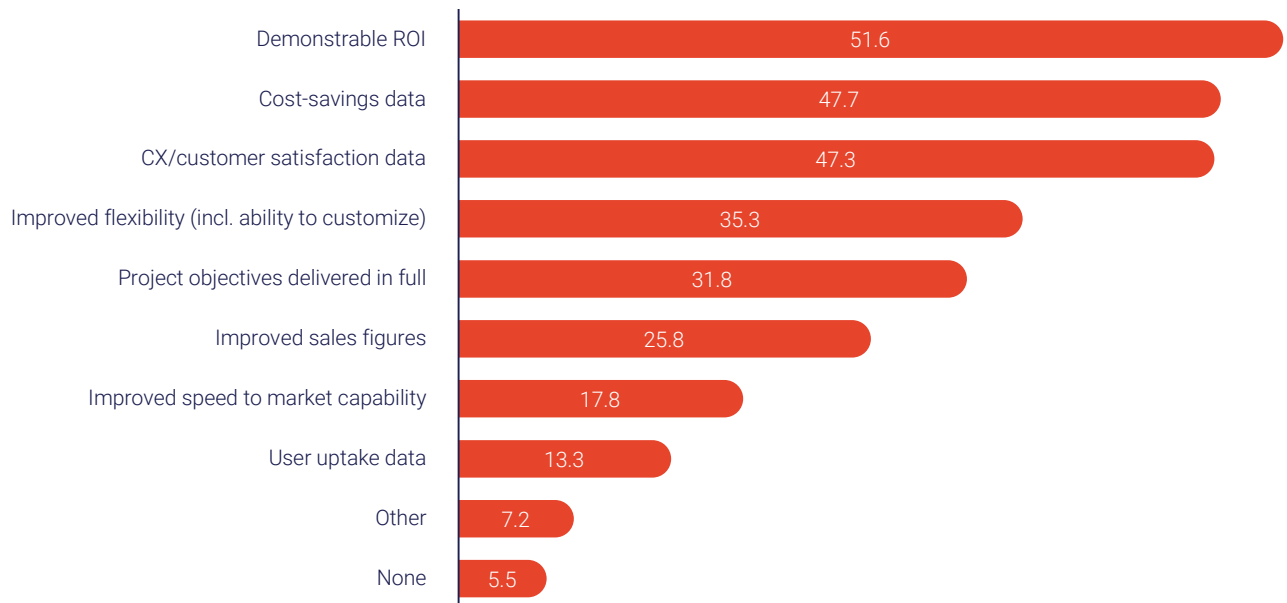
These trends reinforce the statistics in Q 6.3.1, where an average of 73.6% of organizations state that their current technology investment will not meet their future needs. Limited or no involvement of CX teams in the design and approval of technology will have an impact on how technology solutions meet user needs.

What's needed is better alignment of a coherent CX strategy to define future needs before engaging in technology decision-making processes. An effective CX strategy requires cross-organizational alignment and therefore a more coherent approach to defining what success means to the organization.

6.3.5 Top measures of technology project effectiveness

> **Just half (51.6%) the organizations surveyed list demonstrable return on investment as a top-three measure of the effectiveness of technology projects.**
>
> Less than half (47.3%) consider CX customer satisfaction data as a key measurement of success; just one-third (31.8%) will assess results against original project objectives.

Measure	%
Demonstrable ROI	51.6
Cost-savings data	47.7
CX/customer satisfaction data	47.3
Improved flexibility (incl. ability to customize)	35.3
Project objectives delivered in full	31.8
Improved sales figures	25.8
Improved speed to market capability	17.8
User uptake data	13.3
Other	7.2
None	5.5

What are the top three metrics used to measure the effectiveness of technology projects? **n = 566**

Insight

Commercial indicators dominate as top factors to gauge the success of technology projects

Demonstrable ROI and cost-saving data have swapped positions but remain the most popular metrics used to gauge the success of technology projects. They sit alongside impact on CX/customer satisfaction levels as the top three indicators in place for around half of organizations.

Areas receiving a small increase in focus include the tracking of improvements in system flexibility, and improvements in speed-to-market capability and sales figures – the last an unsurprisingly top attention area for sales operations, and where CX is nudged into fourth place.

Best practice guidance would determine that post-implementation reviews should be in place as standard for technology projects. However, just 31.8% of organizations (a significant drop from 42.1% last year) conduct these reviews and consider measuring results against original project deliverables/objectives as a key component in determining the effectiveness of technology projects.

Action

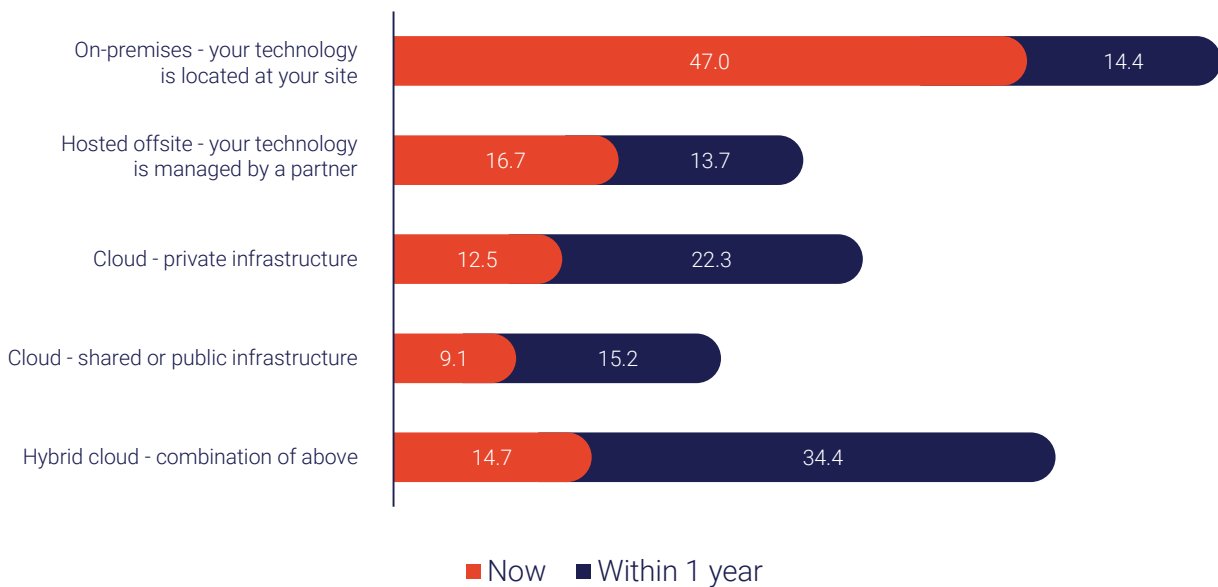### Anchoring projects to demonstrable success is a good step

While it's good to see that reducing cost is not the top success metric for technology projects, other, more intangible – yet equally important – metrics require greater attention.

Factors such as speed-to-market, flexibility and user uptake influence the organization's ability to add more value to CX and market competitiveness. They should also be taken into consideration when determining how to measure the success of technology projects.

6.3.6 How CX technology is provided?

> **Cloud infrastructure deployments grew by another 12.0% in the past year, following on from a 36.1% uplift between 2018 and 2019.**
>
> As the momentum continues, cloud-based solutions are forecast to double from 36.3% to 71.9% in the coming year; on-premises solutions are set to fall in tandem.

Category	Now	Within 1 year
On-premises - your technology is located at your site	47.0	14.4
Hosted offsite - your technology is managed by a partner	16.7	13.7
Cloud - private infrastructure	12.5	22.3
Cloud - shared or public infrastructure	9.1	15.2
Hybrid cloud - combination of above	14.7	34.4

■ Now ■ Within 1 year

How is your CX technology provided? **n = 558**

Insight

Slow advancement of cloud-based solutions replacing wholly owned technology models continues

More than one-third (36.3%) of organizations now have a combination of private, shared or hybrid cloud solutions – up 12.0% from last year and following on from a 36.1% uplift in the year prior. It's an area that will continue gaining momentum as the provision of technology through cloud-based solutions is forecast to double to 71.9% in the coming year.

North America stands out in transitioning to cloud-based solutions – exactly half the organizations (50.0%) in the region have already made the change. Cloud-based solutions are particularly popular and in place for 50.0% of retail and wholesale businesses in all regions, but lag within banking and investment (22.3%). These solutions are also in place for half the organizations that have optimized their CX strategy globally.

Hybrid models are the most preferred cloud solution for CX technology. Shared or public infrastructures are the least common (healthcare and pharmaceuticals excepted), although it's also the area that's shown the most growth since 2019, rising by 51.7%.

Action

On-premises and hybrid solutions deliver flexibility but will need a security and compliance strategy
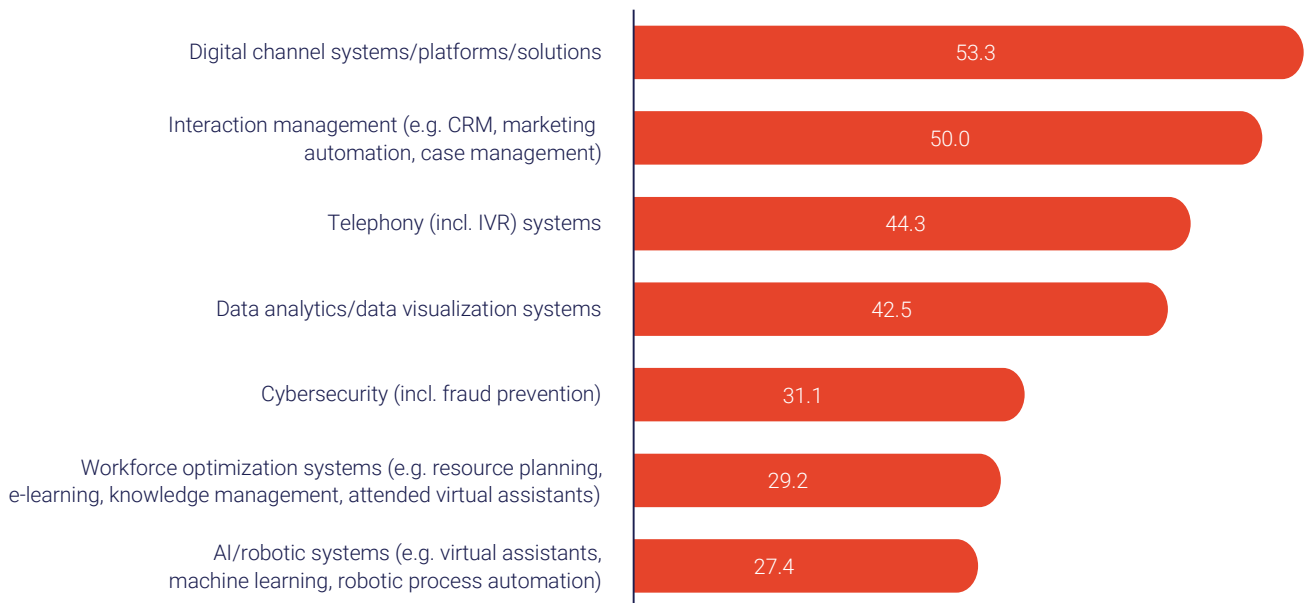
A coherent CX strategy needs a degree of flexibility for the organization to respond to changing market and customer needs. Self-maintained (or partially self-maintained) platforms can act as a hindrance to agile CX, as they don't have the same capability and scale.

On-premises and hybrid solutions are still by far the main delivery model for CX. A cloud-first approach can deliver return on investment more quickly while providing the technical capability and adaptability needed. However, a mature security and compliance strategy is needed to de-risk the use of workloads in the cloud.

6.3.7 Users: Technology hosted in the cloud

Digital channel systems have risen by 14.2 percentage points to become the most-used technology solution hosted in the cloud.

Cloud-based analytics systems are up by more than 50%; the deployment of cybersecurity systems has nearly doubled.

Technology	Value
Digital channel systems/platforms/solutions	53.3
Interaction management (e.g. CRM, marketing automation, case management)	50.0
Telephony (incl. IVR) systems	44.3
Data analytics/data visualization systems	42.5
Cybersecurity (incl. fraud prevention)	31.1
Workforce optimization systems (e.g. resource planning, e-learning, knowledge management, attended virtual assistants)	29.2
AI/robotic systems (e.g. virtual assistants, machine learning, robotic process automation)	27.4

Users: What elements of your technology are in the cloud? **n = 212**

Insight

Expanded rollout of cloud solutions leads to growth in every technology system.

At least half of existing cloud users have included digital channel systems, platforms or solutions and interaction management as part of their cloud strategy. **Digital channel system deployments have risen by 14.2 percentage points since 2019 and are now the most common CX technology being hosted in the cloud.**

The fastest-growing areas being enabled by cloud technology are centered around AI/robotics and cybersecurity, with deployments more or less doubling since last year.

Organizations are clearly turning towards cloud to facilitate their CX transformation strategies. There's a direct relationship between technology elements provided through cloud technology and the progress of an organization's CX strategy. The more advanced and optimized the strategy, the more they turn to cloud, as it increasingly enables integration, customization and flexibility (see Q 6.3.8 for specifics).

Action

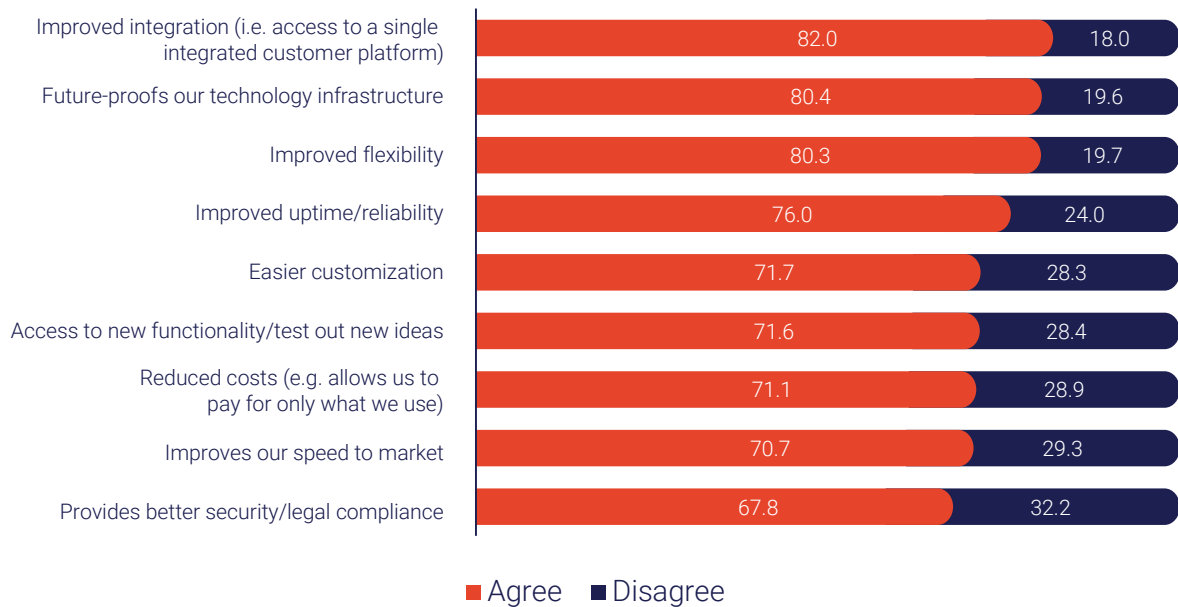### Build architectures with extensibility and security in mind

Cloud is recognized as an enabler of a mature CX strategy as it offers flexibility in scale, reach and modularity, allowing capabilities to be introduced using a phased approach.

Extensibility is also a key factor in cloud architectures, allowing for better integration between services. This has been a challenge for on-premises solutions due to a lack of standards and access between vertical solution stacks.

As enterprises accelerate the drive to cloud, it's key to build data and application architectures with extensibility and security in mind. This may mean evolving the ownership of applications or data as well the security posture, so it's aligned towards the compliance and data protection requirements specific to the organization.

6.3.8 Impact of hosted/cloud technologies

80.4% of users say hosted/cloud solutions have helped future-proof technology infrastructures and 71.1% say they've reduced costs.

82.0% say cloud solutions have improved system integration; two-thirds (67.8%) agree that cloud offers better security and/or legal compliance.

	Agree	Disagree
Improved integration (i.e. access to a single integrated customer platform)	82.0	18.0
Future-proofs our technology infrastructure	80.4	19.6
Improved flexibility	80.3	19.7
Improved uptime/reliability	76.0	24.0
Easier customization	71.7	28.3
Access to new functionality/test out new ideas	71.6	28.4
Reduced costs (e.g. allows us to pay for only what we use)	71.1	28.9
Improves our speed to market	70.7	29.3
Provides better security/legal compliance	67.8	32.2

■ Agree   ■ Disagree

Users: How has the use of hosted/cloud technologies affected your business? **n = 205**

Insight

Security and legal issues now less of a concern with cloud solutions

Costs, ability to customize, system integration and inflexibility of legacy solutions are among the top challenges inhibiting CX technology strategies in 2020 (see Q 1.11).

The gathering momentum and growth of each technology element can be linked to the feedback on the benefits being realized by existing users of cloud solutions: 71.1% agree that cloud solutions have reduced costs (for example, by paying only for what they use); 82.0% say cloud solutions have improved integration and access to a single integrated customer platform; 80.3% say that it's improved flexibility and 71.7% confirm it's easier to customize.

This a compelling set of results and indicates that cloud solutions directly mitigate risk and historic blockages to technology advancements.

While improved security and compliance is lowest on the list of perceived benefits, recognition of the value of this benefit has grown the most. Just last year, 41.2% of cloud users were still to be convinced that cloud technology could offer better security and legal compliance. That number is falling fast: 67.8% now agree it does indeed provide better security and compliance.

Action

Organizations no longer need convincing but do require guidance
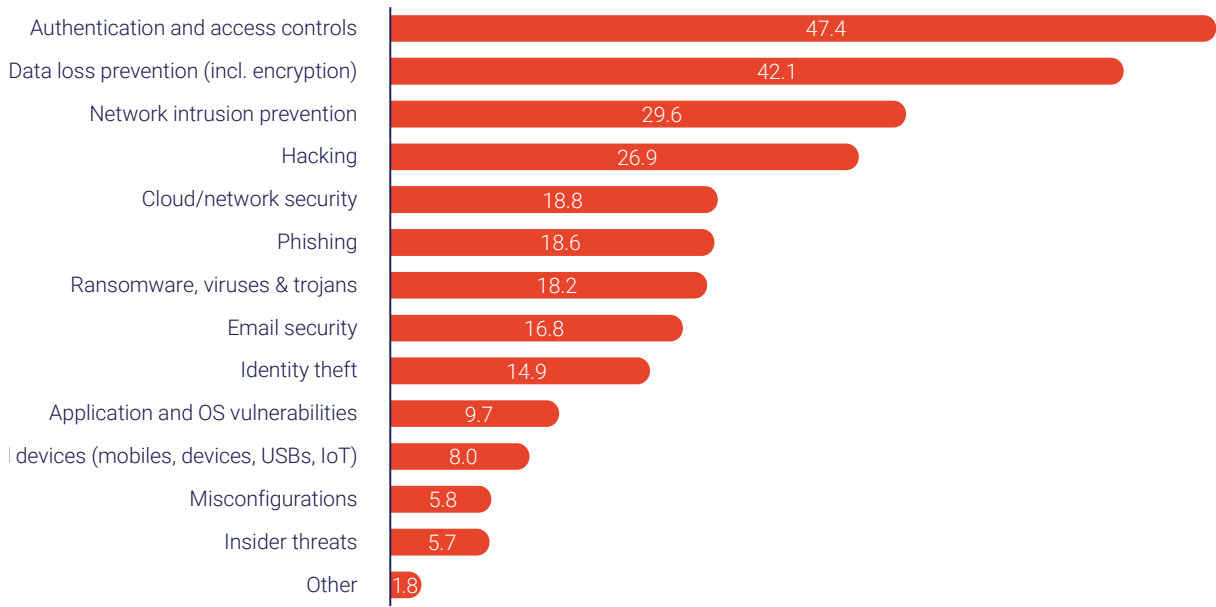
The maturity of cloud services and standardization of integration capability between multiple clouds (for example, cloud interaction platforms with cloud CRMs) has enabled organizations to unlock capabilities that were traditionally inhibited by self-owned and premise-built systems.

It appears organizations no longer need to be convinced of the value of cloud but require assistance in their drive towards it:

- Focus on a modular CX strategy that will help you define how multicloud architectures can further achieve integrated capabilities.
- Although confidence in cloud security is improving, you will need to define and implement a comprehensive CX strategy to leverage cloud security capabilities in order to mitigate risk and improve regulatory compliance.

6.3.9 Cybersecurity threats impacting CX

> **The standout cybersecurity considerations affecting CX are authentication and access control, along with data-loss prevention.**
>
> Network intrusion is a concern for 29.6%; hacking is a top-three fear for 26.9%.

Category	Value
Authentication and access controls	47.4
Data loss prevention (incl. encryption)	42.1
Network intrusion prevention	29.6
Hacking	26.9
Cloud/network security	18.8
Phishing	18.6
Ransomware, viruses & trojans	18.2
Email security	16.8
Identity theft	14.9
Application and OS vulnerabilities	9.7
devices (mobiles, devices, USBs, IoT)	8.0
Misconfigurations	5.8
Insider threats	5.7
Other	1.8

What do you consider to be the top three cybersecurity considerations affecting CX capabilities and service? **n = 565**

Insight

Authentication, access control and data loss are top concerns across industries

The top three cybersecurity considerations impacting CX capabilities and service vary by industry sector but almost all have a combination of authentication and access controls, plus data-loss prevention, as their top concerns. The top issues faced are consistent across regions. At the other end of the scale, concerns about threats from unauthorized devices have fallen by more than half since 2019.

Network intrusion is a concern for almost one in three (29.6%) organizations, particularly those in the education sector (44.4%), where hacking is also deemed a higher issue (38.9%) than for most other industries, media and communications excepted (39.3%).

There's not too much fluctuation in results by operator size but some concerns vary by operation type. For example, physical site operations (such as a retail store or high-street bank) are much more aware of email security (52.6%). Digital-only operators see data-loss prevention as more of a concern (55.6%) than the overall benchmark.

Action

New architectures require new capabilities

Legacy methods of implementing a strong security posture aren't relevant to new architectures built on cloud services. Recognizing this is key to ensuring that security policies evolve, and capabilities are maintained in tandem with the development of a CX strategy.

A mature security posture aligned with new digital models delivered from cloud services will improve confidence in cloud solutions and help accelerate the adoption of these new capabilities. Security must include both the technical and the human element: users must apply the fundamentals of the security policies embedded in the CX strategy.

Part 3: Four key takeaways

1 **Adapt:** Ensure that your organizational structure and operating models can adapt, in an accelerated manner, to deliver connected experiences.

2 **Adopt:** Adopt new ways of working to ensure people have the right mindset, skills and tools to optimize and harmonize the emerging human and automated workforce.

3 **Align:** Create technology strategies that align with your required CX outcomes, business drivers and customer needs, and take advantage of new ownership and consumption models.

4 **Accelerate:** In a rapidly changing world, organizations need a new perspective to achieve powerful connections. Embrace accelerated optimization approaches to remain relevant.

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Regional
hotspots

Here is a sample of regional variations based on our analysis of the data and the key themes emerging from this year's Report.

Americas

The Americas leads other regions in the areas of channel availability and tracking customer interactions across all CX channels. Cross-functional collaboration on mapping connected customer journeys is low in comparison to other regions, as is the ability to mitigate certain ethical challenges relating to AI and robotics.

27.2% of organizations in the Americas rank **impact on brand value** and **ability to differentiate** as the **top priority business outcome** from their focus on CX. This figure is almost double that of organizations in other regions (15.1%).

In the Americas, just 12.6% of business functions across the enterprise **collaborate to define customer journeys** and design CX. The average outside the region is 26.8%.

The Americas leads the way in being able to **track customer interactions** across all CX contact channels: **17.3%** currently have this capability versus an average of just 10.8% for other regions.

Just **12.6%** of organizations in the Americas say the top factor that **negatively impacts CX** is the unavailability of a customer's preferred channel. Outside the region, this is an issue for almost double the number, at 23.3%.

Ethical issues relating to **data bias and discrimination** in **AI/robotics** are identified as a **top challenge** by **46.0%** of organizations in the Americas, compared with just 33.8% elsewhere.

Asia Pacific

Optimized CX strategies, collaboration on CX design and the ability to capture data on the psychology of customer decision-making are areas where Asia Pacific sets the benchmark as the strongest performer. Organizations in the region also have a more optimistic short-term view of CX automation. Channel management, CX metrics and customer feedback mechanisms are not as strong as in other regions.

12.0% of organizations in Asia Pacific say their **CX strategies** have progressed to an **optimized** state – double the average of just 5.9% for the rest of the world. They also have higher cross-functional collaboration: **36.7%** say business functions **fully collaborate to define customer journeys** and **design CX** versus an average of just 19.1% in the rest of the world.

Asia Pacific is at the forefront of **capturing data on customer psychology** and **emotional movement behaviours**. One-fifth (**20.1%**) of organizations are tracking these decision hotspots – more than double the average of those in other regions (9.3%).

When it comes to capturing **voice of the customer feedback**, Asia Pacific lags other regions, with just **69.0%** of organizations acquiring this information compared with around 80% in the rest of the world. It's also the region that's least equipped technologically to **capture and interrogate data**: just **54.8%** of organizations have access to **customer feedback technology systems** versus the 73.1% average for organizations in other regions.

Asia Pacific is ahead of other regions in terms of digital transformation and the full automation of CX elements. However, **first contact resolution (FCR) rates** for these solutions are much lower than in rest of the world. Assisted-service FCR is at just **56.1%**, versus 69.0% elsewhere. On automated services, FCR drops further to only **43.0%**, versus 62.3% outside the region.

Organizations in Asia Pacific have a much more **ambitious short-term outlook** on how **AI and robotics** will reduce their reliance on **human resources/employees: 31.5%** believe that **over half of the CX activities** currently administered by human employees will become automated by 2022. Outside the region, the forecast is more conservative, at just 9.9%.

Australia and New Zealand

Organizations in Australia and New Zealand set the standard for accommodating flexible working practices, yet are not as open to change as those in other regions – which may account for some of the challenges they're experiencing with consistent CX delivery, data management and analytics.

Only **3.4%** of organizations in Australia and New Zealand are very satisfied (57.3% being fairly satisfied) with their **CX capability** versus an average of 11.0% in other regions (Asia Pacific with the highest, at 14.9%). It's also the region **most dissatisfied with capability levels: 39.3%** versus an average benchmark of 25.3% elsewhere.

Australia and New Zealand are **falling behind on AI**, with just **18.3%** of CX teams in the region stating **AI** is a **top-three technology priority**. In the Americas, Asia Pacific and Europe, AI technology is a priority for over one-third of organizations.

Managing increasing volumes of data emerging from digital channels is more challenging for organizations in Australia and New Zealand than those in other regions: almost half (**47.2%**) are unable to manage the available data, versus an average of just 24.8% in the rest of the world. **Data analytics resources** are also a significant issue in the region, with almost two-thirds (**64.0%**) of organizations saying this is the **top challenge** affecting their **data analytics capability**, compared with just 31.7% in other regions. They're also the **least likely** to have **data scientists** programming systems and creating performance scorecards, and are 72.0% less likely to have **automated data management** systems in place.

Organizations in Australia and New Zealand are the least likely to have a strategy for **cross-channel customer contact management** in place (**18.1%** versus 35.7% elsewhere) and over half (**51.4**% versus 28.8%) report they do not have **a formal strategy** defined for **individual channels** – which may well account for **44.4%** of operators saying there is **no consistency** in the **delivery of CX** across contact channels. This puts them some distance behind the average outside the region, where just 21.4% have no cross-channel CX consistency.

Australia and New Zealand are some way ahead of the benchmark for the rest of the world when it comes to **accommodating flexible and/or remote working** to help meet the evolving demands of a modern workforce: **78.6%** of organizations offer some form of **flexible working** arrangement (versus 55.5% elsewhere) and 61.4% allow remote working, where appropriate (47.1% elsewhere).

Europe

Organizations in Europe are the most optimistic about the impact natural-language voice-interface solutions will have on reshaping CX capabilities. In-house capabilities for customer journey design are strong and the region also has the most generous vacation leave. Data capture and compliance challenges are higher than in other regions, and email response times are noticeably lower.

Europe leads all other regions in considering **natural-language voice-interface solutions** (e.g., Siri, Alexa, Google Now) to be a top factor in **reshaping CX capabilities** within the next five years. At **23.6%**, their optimism about the impact of these solutions on CX is much higher than in most other regions: the average for the rest of the world is 17.3%, with the Middle East & Africa (11.7%) and Australia and New Zealand (8.4%) being the least confident regions.

59.3% of European CX providers have **not aligned** their **data capture** needs to desired **business outcomes**. This is less of a problem outside the region, where just 47.3% are in same position.

Email is now the most commonly offered CX contact channel but customers in Europe can expect to wait **twice as long** as rest of the world for their **emails to be answered**. Average **response times** there are almost **8.75 hours** compared with an average 4.5 hours in the rest of the world.

Advancing **digital transformation** (including AI) will require **expertise** in **compliance and ethics** – something organizations in Europe seem to be getting a handle on. Just **37.1%** say they will need more expertise in this area over the next two years, compared with 53.1% of organizations in the rest of the world.

CX employees in Europe enjoy the most generous allocations of **vacation time** with an average allowance of **24.6 days each year** – almost a full working week ahead of the 20.6 days offered in Australia and New Zealand and just three weeks in Asia Pacific and the Americas.

Middle East & Africa (MEA)

MEA claims the highest average Net Promoter Score and leads the way in tracking customer sentiment through social media. Organizations in the region are missing opportunities by not using VoC feedback and CX data effectively. There are also issues with customers' perceptions of AI/robotic solutions in place – current ratings are at a detractor level.

MEA is behind the rest of the world in **capturing VoC** and **using customer feedback** to inform **innovation** opportunities: **27.5%** of organizations have **no VoC** for this purpose, compared with an average of 16.5% in the rest of world. While **31.9%** do have a **formal process** in place to **capture such customer feedback**, this still compares poorly with the 44.7% average in other regions.

Just **18.8%** of organizations in MEA have a **dedicated team** aggregating, analysing and managing their entire pool of **CX data**. In this respect, they're behind the 30.8% in the Americas and 24.3% average for the rest of world.

Organizations in MEA enjoy greater levels of customer advocacy than those in other regions. CX providers in the region have the **highest NPS results**, with a regional average of **35.4** against 24.4 elsewhere. MEA also **leads on Customer Effort Score** (CES) performance.

In MEA, **46.6%** (versus an average of 30.1% in the rest of the world) of organizations are using **social media** to help **track customer sentiment** on CX.

Users of **AI/robotic solutions** in MEA say **73.2%** of customers rate their experiences of interactions with these solutions at a **detractor level** (a rating of 6 out of 10 or less) – appreciably more than the 61.1% average for the rest of the world.

From data to action ... next steps

Effortless CX invisible. The customer is engaged and informed, but not overly – or unnecessarily – involved. Questions are answered before they're asked, next steps are clearly explained and any action required is minimal and easy.

A clear strategic design and fluid ecosystem for CX, guided by voice of the customer feedback, will help you better connect with and remain relevant to your customers, at every touchpoint. Listen to what your customers are saying and channel their feedback to every area of the organization that needs it.

Lead with strategy

Shift the strategic leadership mindset and traditional narrative around CX and embrace new digital business models.

Understand customers

Invest in data management and analytics capabilities and technology platforms to listen to and connect with your customers.

Personalize experiences

Create differentiated and customer-driven experiences across a multitude of channels that provide self-service, assisted, proactive and personalized interaction capabilities.

Engage through omnichannel

Review your channel strategy from an ecosystem design perspective to ensure a fluid, effortless and natural journey across channels your customers want to use.

Automate intelligence

Take time to understand the benefits of AI and machine learning. Start implementing solutions that fit your CX strategy, and learn as you progress.

Optimize performance

Optimize your workforce, enabling employees to deliver consistently high-quality interactions, in the most efficient manner, for your organization.

About the NTT 2020 Global Customer Experience Benchmarking Report

Over 20 years of CX insights

Designed to provide a single point of reference on key aspects affecting customer interaction management within today's CX industry, we believe the Global Customer Experience Benchmarking Report is the most extensive global overview of its type.

Frequently cited by industry analysts and quoted by the media, it's widely acknowledged as the most useful, authoritative and comprehensive report of its kind.

Insights driven by data

78 questions, 750+ data points

The Report is based on research data gathered through an **online questionnaire** that ran from July to November 2019. To ensure it remains relevant to the industry, we review and adapt the questions asked each year.

This year, over 15 new questions were incorporated into the survey. Combined with correlations on historic and related data, this helped us improved the relevance of and provide deeper context to the research findings.

Participants are intelligently nurtured through the survey, based on their question responses and capabilities.

Participant profile

1,020 respondents

- **41.2%** executives and senior management
- **31.7%** management
- **20.7%** specialists or business support

The research is based on a probability sample of strictly random participants involved in the provision of CX services. The margin of error is projected at three percentage points at a 95% confidence level.

Widespread representation of industries and regions

5 regions, 79 countries

- Americas: 18.6%
- Asia Pacific: 27.9%
- Australia and New Zealand: 11.6%
- Europe: 24.6%
- Middle East & Africa: 17.3%

13 industry sectors

- **16.0%** financial services (banking/investment)
- **7.7%** financial services (insurance)
- **14.0%** technology
- **7.2%** automotive and manufacturing
- **11.1%** professional services
- **6.5%** retail and wholesale
- **9.4%** media and communications (incl. telecommunications)
- **28.1%** from seven additional sectors

Insightful analysis and commentary

Data integrity, validation and analysis are performed by NTT Ltd.'s specialist in-house Primary Research and Benchmarking Team. Data and outliers are validated in accordance with standard research industry rules, disciplines and best-practice approaches.

In addition to a **detailed analysis** of the results, findings and trends, each Report includes **commentary, context and insights** from people who work in the industry. They have a close-up, first-hand view of how the industry is changing, where it's headed, and what this means for organizations. Their perspectives add enormous value.

The Report has provided data that the industry has used to:

- **support business planning** (and build strategy)
- **pinpoint problems** using data insights and spot areas that are falling below competitor levels (and close the gaps)
- **identify best practices** and benchmark company performance against top-quartile results (and set targets aligned to the company's vision on performance)
- **validate performance**, **trends and directions** taken by peers and develop objective yardsticks (and compare results)
- **get buy-in for change** by using relevant reference data to validate a business case, new spend, and/or transformation to a CX capability (support change)

About the CX Benchmarking Portal
Value beyond the Report

Customize your view of the data with our online portal

All the data used in the NTT 2020 Global Customer Experience Benchmarking Report can be accessed from our online Benchmarking Data Portal. By contacting one of our experts within the CX Advisory, you will be able to:

- access all 750+ global data points
- view and filter results at 10 different levels, including by region, country, industry sector, organization size, role, CX progress, market positioning support function, operation type, and against historical data
- cross-reference data correlations on cause-and-effect relationships
- export the content
- build bespoke presentations

Assess your CX readiness

The CX Readiness Index takes just a minute to complete and will help you determine how your CX strategy and execution compares with the progress of other organizations.

Take the Assessment

About us

NTT Ltd. is a global technology services company. We believe that together we do great things. We partner with organizations around the world to shape and achieve outcomes through intelligent technology solutions. **For us, intelligent means data-driven, connected, digital and secure.**

As a global technology services provider, we employ more than 40,000 people in a diverse and dynamic workplace that spans 57 countries, trading in 73 countries and delivering services in over 200 countries and regions. **Working together, we deliver sustainable outcomes to your business and the world.**

Innovation is part of our DNA. So, we strive to move forward, challenge the status quo, and drive excellence through the technologies we integrate and the services we deliver around the world. **Together we enable the connected future.**

NTT

Together we do great things