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The Future of Customer Experience: Invisible and Seamless Personalisation

The Right Technologies Can Create a Channel-less Mix of Human and Digital Interaction

FROST & SULLIVAN

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Introduction

It is widely accepted that consumer expectations are rising and that companies need to keep up with a more demanding customer base that expect more personalised strategies. Customers now have more channels than ever to contact companies, with the provision of multiple channels becoming an expected standard. However, in many cases, these channels are siloed and disconnected resulting in duplication, frustration and decreased customer satisfaction (CSAT). The effective integration of channels into one seamless conversation will be a major differentiator for customer-centric businesses. Customers increasingly expect that the best service they have experienced elsewhere translates into the service they should receive from all companies, and a lesser experience will impact brand value.

This whitepaper looks at the latest developments in customer experience (CX), including changes accelerated by the COVID-19 pandemic. It draws on the most recent research to understand in which ways change is occurring.


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Chapter 1: Elevating Self-Service Channels and Prioritising Interconnected Services

The COVID-19 pandemic has shone a light on the frailties of customer service systems, which often include a variety of contact channels, with no overarching plan in place for successful integration. Wait times are longer than ever before with reduced staff and an increase in calls. Many companies have tried to lessen this pressure by pushing customers towards self-service, but often deflection messages are complex and long-winded and customers are left unclear about how best to get their issue resolved. A pitfall in self-service channels is the failure to provide the right answers to customer problems or to explain how they can resolve their issue on their self-service channel of choice.

Customers prefer self-service, especially for straightforward queries

Customers don't want to waste time tracking down solutions and, in general, they have shown that they are willing to self-serve, especially for uncomplicated, simple transactions. In this respect, we will see technologies such as voicebots and chatbots, as well as advanced analytics and AI being leveraged to create a more streamlined and simpler self-service journey. It is also important that there are options for live-chat or agent assistance if initial resolution suggestions don't meet customer needs. There are times when human interaction is still desired and the seamless integration of digital, artificial intelligence (AI) and human connection is important for customer satisfaction (CSAT) and getting customers the information they need as quickly as possible.

> **A pitfall in self-service channels is the failure to provide the right answers to customer problems or to explain how they can resolve their issue on their self-service channel of choice.**
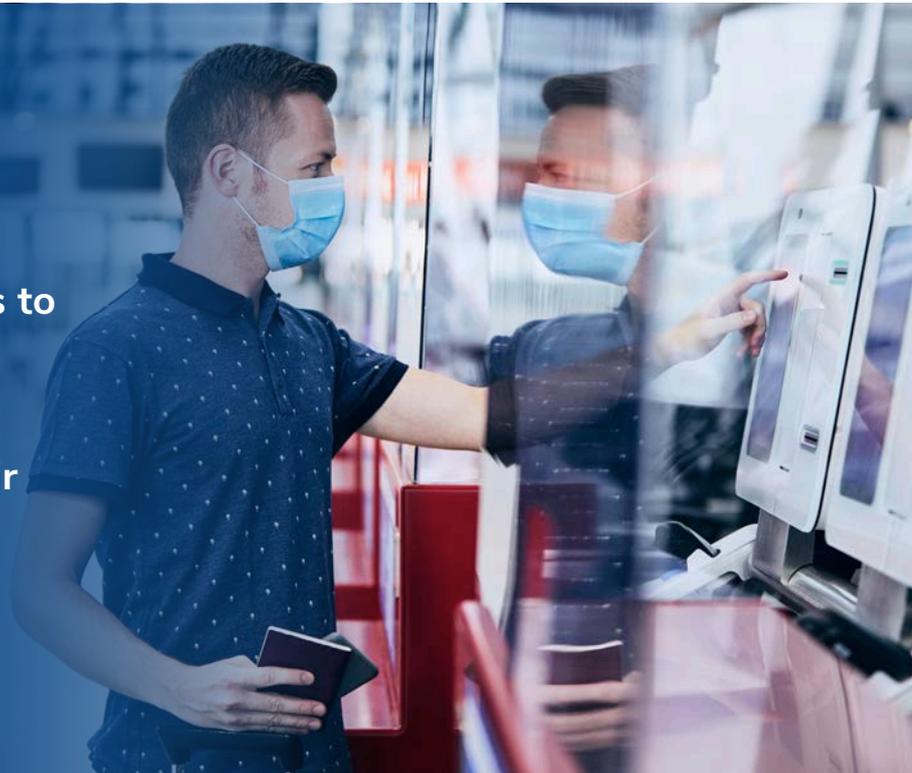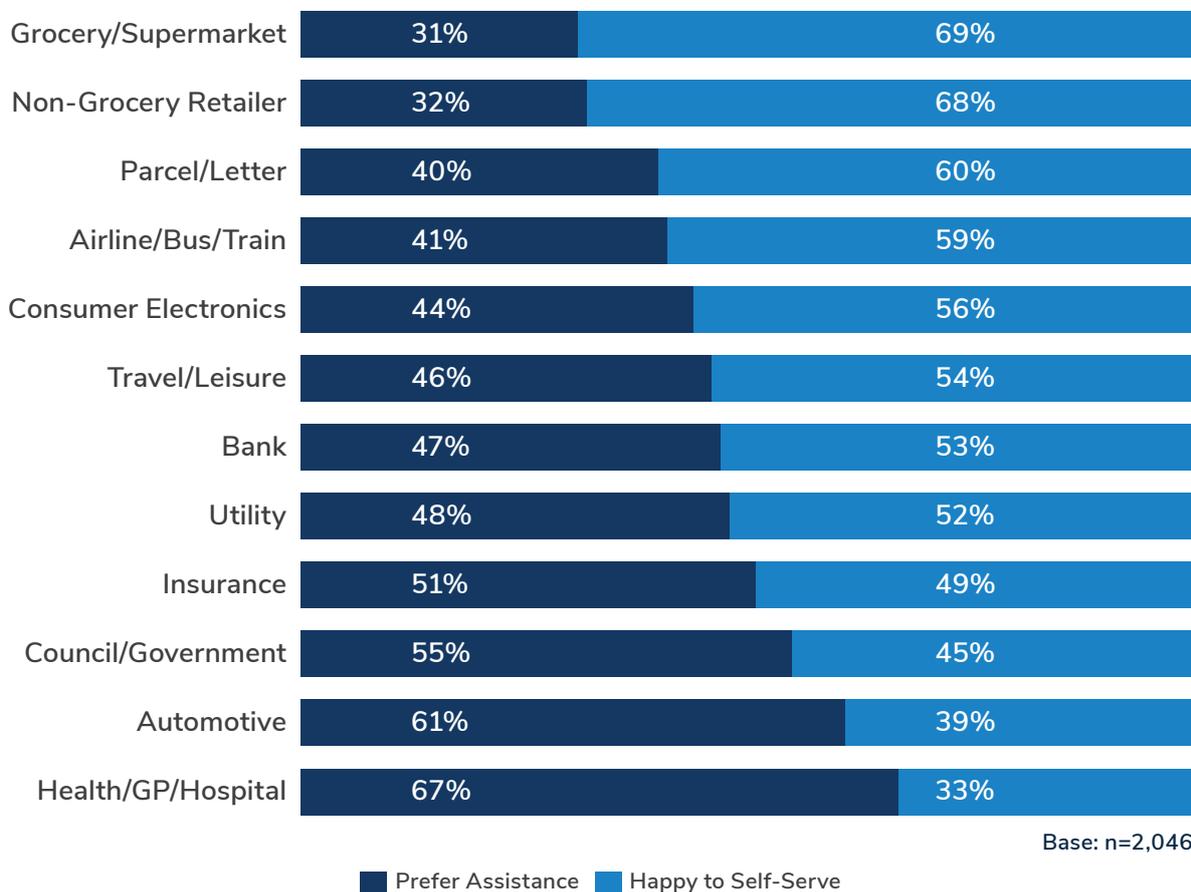
One of the major benefits of self-service options for customers is convenience, including 24/7 access to support. For companies, self-service drives cost-savings and operational efficiencies, allowing contact center agents to focus on more complex issues. This also creates more job satisfaction for agents who are relieved from fielding simple and repetitive calls.

As machine learning (ML) continues to improve and develop, the self-service experience will be elevated by providing the best answers possible to questions, adding more content to questions that regularly are escalated to live agents, or understanding when customer frustration sets in so an escalation hook to a live agent can be added.

One of the major benefits of self-service options for customers is convenience, including 24/7 access to support.

Willingness to Self-Serve by Sector

Sector	Prefer Assistance	Happy to Self-Serve
Grocery/Supermarket	31%	69%
Non-Grocery Retailer	32%	68%
Parcel/Letter	40%	60%
Airline/Bus/Train	41%	59%
Consumer Electronics	44%	56%
Travel/Leisure	46%	54%
Bank	47%	53%
Utility	48%	52%
Insurance	51%	49%
Council/Government	55%	45%
Automotive	61%	39%
Health/GP/Hospital	67%	33%

Base: n=2,046

■ Prefer Assistance ■ Happy to Self-Serve

Source: CCMA and Odigo, Voice of the Contact Centre Consumer 2021

For simple transactions such as grocery purchases or travel, customers are happy to self-serve. But even in more complex instances such as banking, customer self-service is one of the fastest-growing banking customer experience (CX) trends, especially as access to physical branches decrease. Banking apps are increasingly offering chatbot technology so that customers can quickly resolve issues from anywhere, at any time without visiting a branch or calling in.

Channel-less interactions remove frustration

In addition to long wait times, having to repeat information to agents or across channels frustrates customers, with 33% of customers citing this as an issue they recently experienced during customer service contact.[1] To prevent this frustration and repeat interactions that take up an agent's time, data should be leveraged to understand and improve both business operations and CX, and to link all customer interactions into a seamless conversation in real-time. A channel-less interaction means that the same conversation can develop across multiple channels over time. Agents are aware of previous interactions and can offer more personalised experiences as a result.

For example, a utilities company that recently moved to an omnichannel structure has been able to remove silos and increase flexibility. By implementing specialised agents for voice, email and social media, 98% of all calls and emails are now being answered in one day, with average social media response times being significantly reduced.

According to Frost & Sullivan's 2021 Contact Centre Survey, only 29% of organisations say they have full channel integration. Healthcare leads the way with 47% citing full integration, while only 18% of manufacturing organisations are properly integrated.

Integration of Channels by Industry, 2021

	Mostly integrated	Fully integrated	Partially integrated	Not at all integrated
Total n=661	43%	29%	24%	3%
IT / Communication n=50	38%	24%	24%	8%
Financial Services n=131	47%	25%	24%	3%
Healthcare n=129	36%	47%	16%	2%
Public Administration n=65	29%	31%	37%	2%
Manufacturing n=60	43%	18%	22%	12%
Retail n=130	52%	26%	21%	
Travel & Hospitality n=96	46%	21%	29%	4%

Base: All respondents (n=661)

Q37. In your opinion, how integrated are your various channels today (voice, live chat, IVR, bots, etc.)?

Source: Frost & Sullivan's 2021 Contact Centre Survey

1   CCMA and Odigo, Voice of the Contact Centre Consumer 2021

"The world is moving away from an omnichannel approach to a channel-less one, as consumers expect heightened inter-connectivity, along with speed and personalisation. Customer interactions must be shared, so that all agents are aware of a customer's previous emails or messages, eliminating the need for the customer to explain the situation again. "

– Odigo, How will AI and data analytics shape tomorrow's CX?

Providing a diversity of channels (chatbots, social media, SMS, email, or phone) is enabled through cloud-based Contact Centre as a Service (CCaaS) solutions. But these need to be well-integrated with existing CRM databases in order to eliminate a lack of context or historical lookup. One of the necessary requirements for CCaaS solutions is up-to-date, high-quality data and this can often be found in CRM tools. This also requires that agents have access to the right tools to ask pertinent questions, gather important data, and enter it correctly into your CRM platform. The integration of CRM with a CCaaS solution has benefits for both customers and contact centre agents as service is more effective through the use of real-time data.

Meeting customer expectations comes down to capturing and utilising data to operationalise insights. This means that data cannot be stored in separate silos, and companies need to invest in technologies that enable the collection, processing and storage of data. Leading CX companies are able to leverage and analyse large amounts of real-time data to better understand their customers and create more personalised experiences.
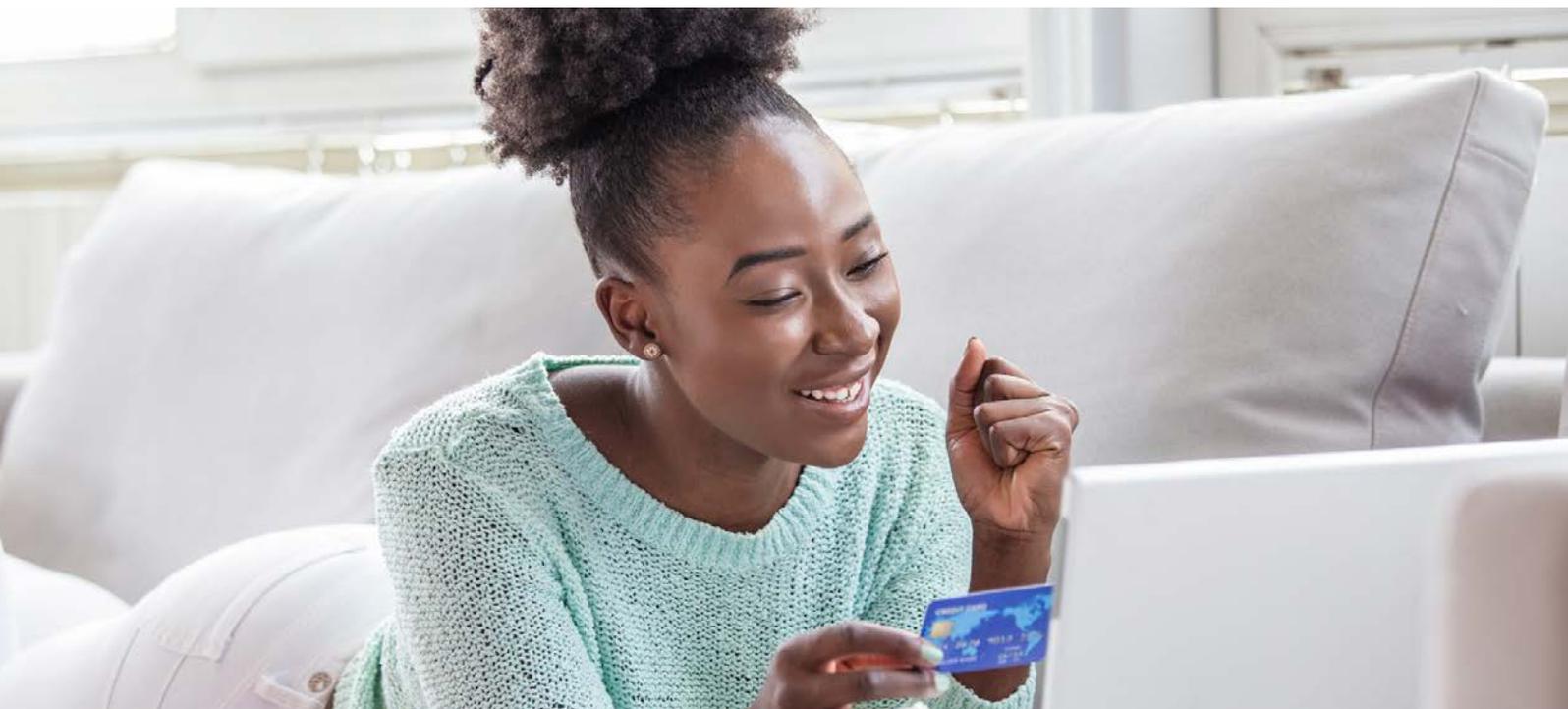
Chapter 2: Customers Increasingly Expect Personalisation and Contextual Awareness

The aim to provide personalisation remains supreme. Customers increasingly expect companies to respect the urgency of their enquiry and to know the history of their interactions with them. The support system then – whether automated or in person – should know the details of the current interaction, as well as a customer's entire history with the organisation. This will help deliver the most relevant, personalised experience to each and every customer the organisation interacts with.

Demonstrating understanding and providing personalised answers will inspire loyalty among customers by saving time and showing professionalism. This personalisation will rely on effective data strategies to strengthen personal bonds with customers. Some challenges organisations face when it comes to data management include data storage, handling personal data according to regulations, understanding which data is needed, and eliminating data silos to effectively link channels.

Managing personal data to be secure and relevant

Although valued, there is a fine line between personalisation and intrusiveness when it comes to using customer data. Inappropriate use of personalised data can have the opposite impact and be perceived in a negative light. It should be used to make customers' lives easier and to provide a good service without encroaching on their privacy. Therefore, it is important to only collect customer information that is relevant to the customer's issue and to your business. Data should also be collected from multiple channels and stored in a single secure database.

> " **Customer Service means understanding your customers – who they are, what they expect, what they need, what they buy, which channels they prefer and how they behave. Not only can data answer all of these important issues, it provides insight into customers' behaviours and perspectives, shedding light on successes and mistakes in a brand's customer outreach.** "
>
> *– Odigo, How will AI and data analytics shape tomorrow's CX?*

The growing number of connected personal devices and resulting data (such as from fitness trackers and smart watches, connected cars, home assistants and smartphones) will enable companies to better understand their customers and create more personalised products and services. For example, wearable data could be delivered directly to insurance providers to give customers hyper-personalised services based on an individual's behaviour and activities.

With the acceleration of cloud adoption, it is important for companies to not only collect the relevant data, but also understand how to fully operationalise it. This means making sure that data is not siloed between departments and also that it is actively managed. Data needs to be

collected in compliance with data privacy laws, such as GDPR, and companies should design a strategy to ensure data governance and accountability within the organisation.

Advancing technologies such as natural language processing (NLP) and machine learning (ML) will also enhance personalisation. These enable chatbots and voicebots to comprehend and communicate, while sentiment analysis can reveal customers' moods. Providing this information to agents helps them approach customers' requests in the best way and assists them in recommending the best actions. Some financial institutions for example, are making their chatbots and other AI services feel more human by giving chatbots personalities and using sentiment analysis to respond appropriately.

Voicebots, which can be integrated into telephone, mobile, internet or smart speakers, are also rising in popularity and sophistication. Without having to connect to a person or wait for a response, voicebots can help to direct customer questions and answer queries.

The benefits are tangible. For example, through the implementation of an omnichannel bot, a multinational financial institution has been able to accelerate its transition away from physical locations while continuing to provide the personalised, customer-centric care its customers are used to. This has resulted in 80% of routine questions being answered via a conversational agent, 77% lower average handle times (AHTs) and a 30% reduction in customer service costs.
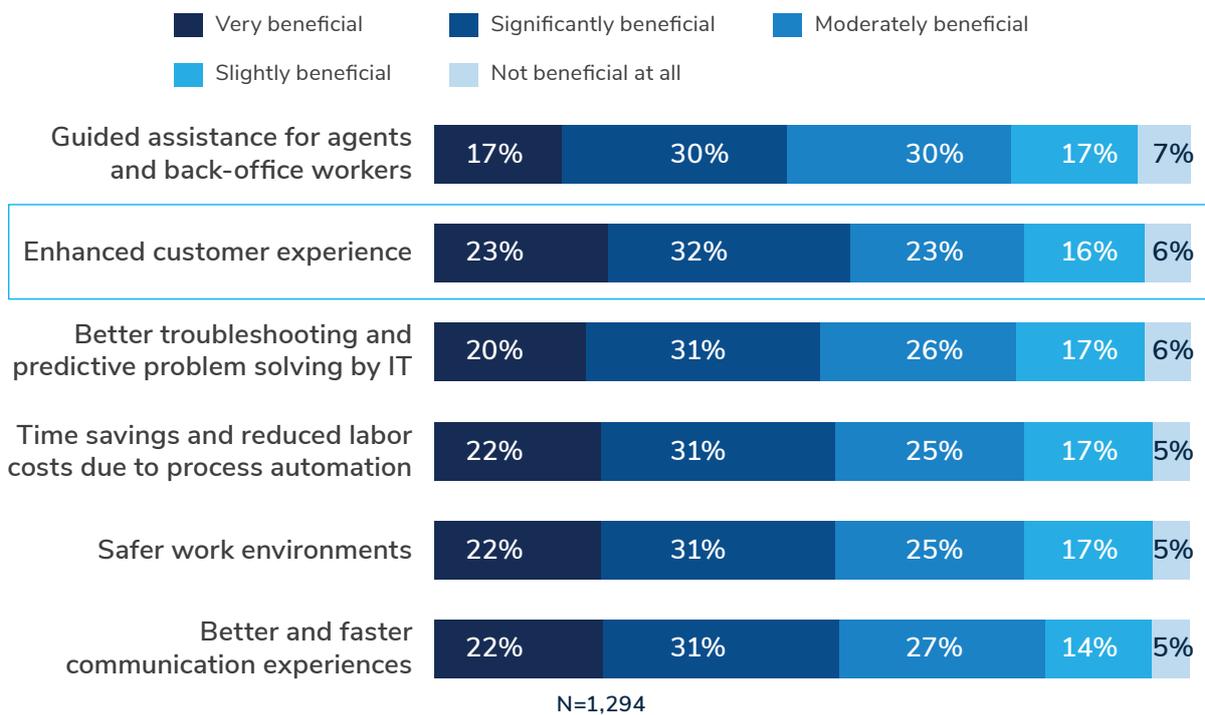
Leveraging data for artificial intelligence

Personalisation is one of the catalysts for artificial intelligence (AI) development, and the driving force behind AI is information. AI and data are part of a symbiotic relationship; the more data AI has to work with, the better it can deliver high-value services.

According to Frost & Sullivan's 2021 CX Predictions Survey, enhancing CX is seen as one of the most beneficial applications of AI, with 55% of respondents saying that AI is highly beneficial to enhance CX.

Benefits of AI for Business Communications and
Contact Center Capabilities, Global, 2021

■ Very beneficial   ■ Significantly beneficial   ■ Moderately beneficial
■ Slightly beneficial   ■ Not beneficial at all

	Very beneficial	Significantly beneficial	Moderately beneficial	Slightly beneficial	Not beneficial at all
Guided assistance for agents and back-office workers	17%	30%	30%	17%	7%
Enhanced customer experience	23%	32%	23%	16%	6%
Better troubleshooting and predictive problem solving by IT	20%	31%	26%	17%	6%
Time savings and reduced labor costs due to process automation	22%	31%	25%	17%	5%
Safer work environments	22%	31%	25%	17%	5%
Better and faster communication experiences	22%	31%	27%	14%	5%

N=1,294

What are the benefits your organisation expects to see or is already
seeing from using artificial intelligence to enhance your business communication and
contact centre capabilities?

Source: Frost & Sullivan's 2021 CX Predictions Survey

AI tools, based on the right data, will increasingly help agents to raise their performance and engagement, enabling them to deliver an exceptional, personalised CX.

Chapter 3: Adapting to a New Normal in Customer Service Standards

The COVID-19 crisis has highlighted a number of challenges for customer service functions including increased customer anxiety and frustrations alongside longer wait times. But the crisis has also accelerated a lot of changes that companies may have been slow to implement, including working from home, a better work/life balance, the need to increase employee engagement, and better digital self-service. Innovation during the crisis has resulted in more proactive and faster support for customers. It has also accelerated customer experience (CX) solutions' movement to the cloud, with 80% of CX applications expected to be in the cloud by 2023.[2]
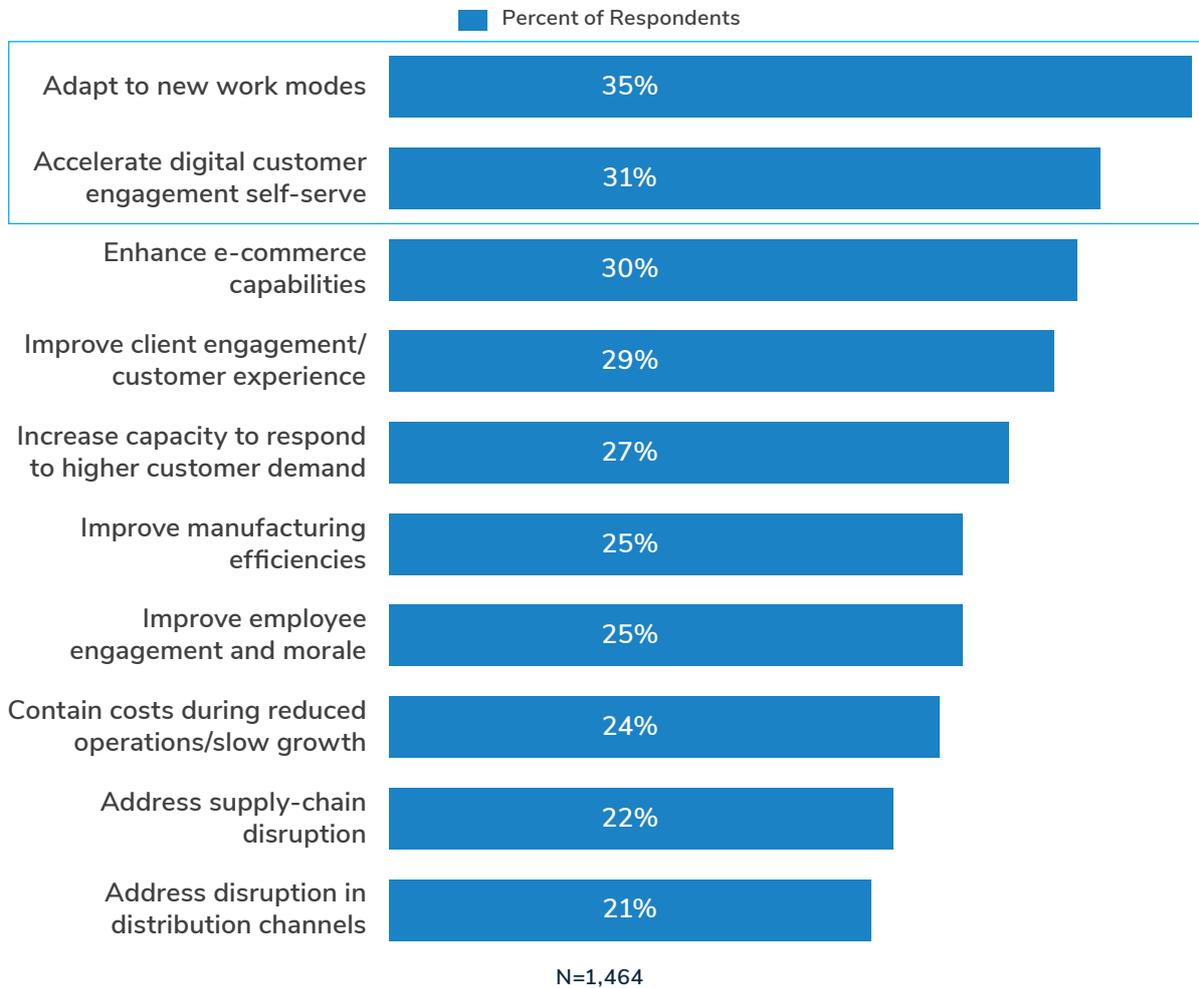
It is expected that we will see a continuation and broadening of work-from-home adoption due to a number of benefits. It is a way to cut down on the cost of brick-and-mortar contact centres, but also to build on the environmental and social benefits from reduced commuting.

2   Frost & Sullivan's 2021 CX Predictions Survey

According to Frost & Sullivan's 2021 Predictions & Global Outlook for CX survey, as a result of COVID-19 companies are moving towards self-service and focusing on CX and e-commerce in their digital transformation journeys.

Key Digital Transformation Objectives Accelerated by COVID-19, Global, 2021

■ Percent of Respondents

Objective	Percent
Adapt to new work modes	35%
Accelerate digital customer engagement self-serve	31%
Enhance e-commerce capabilities	30%
Improve client engagement/ customer experience	29%
Increase capacity to respond to higher customer demand	27%
Improve manufacturing efficiencies	25%
Improve employee engagement and morale	25%
Contain costs during reduced operations/slow growth	24%
Address supply-chain disruption	22%
Address disruption in distribution channels	21%

N=1,464

Which key digital transformation objectives have been accelerated as a result of COVID-19?

(Note: Adapt to new work modes = remote working, modified work shifts, etc.); N= respondents that are accelerating IT investments due to COVID-19 issues.
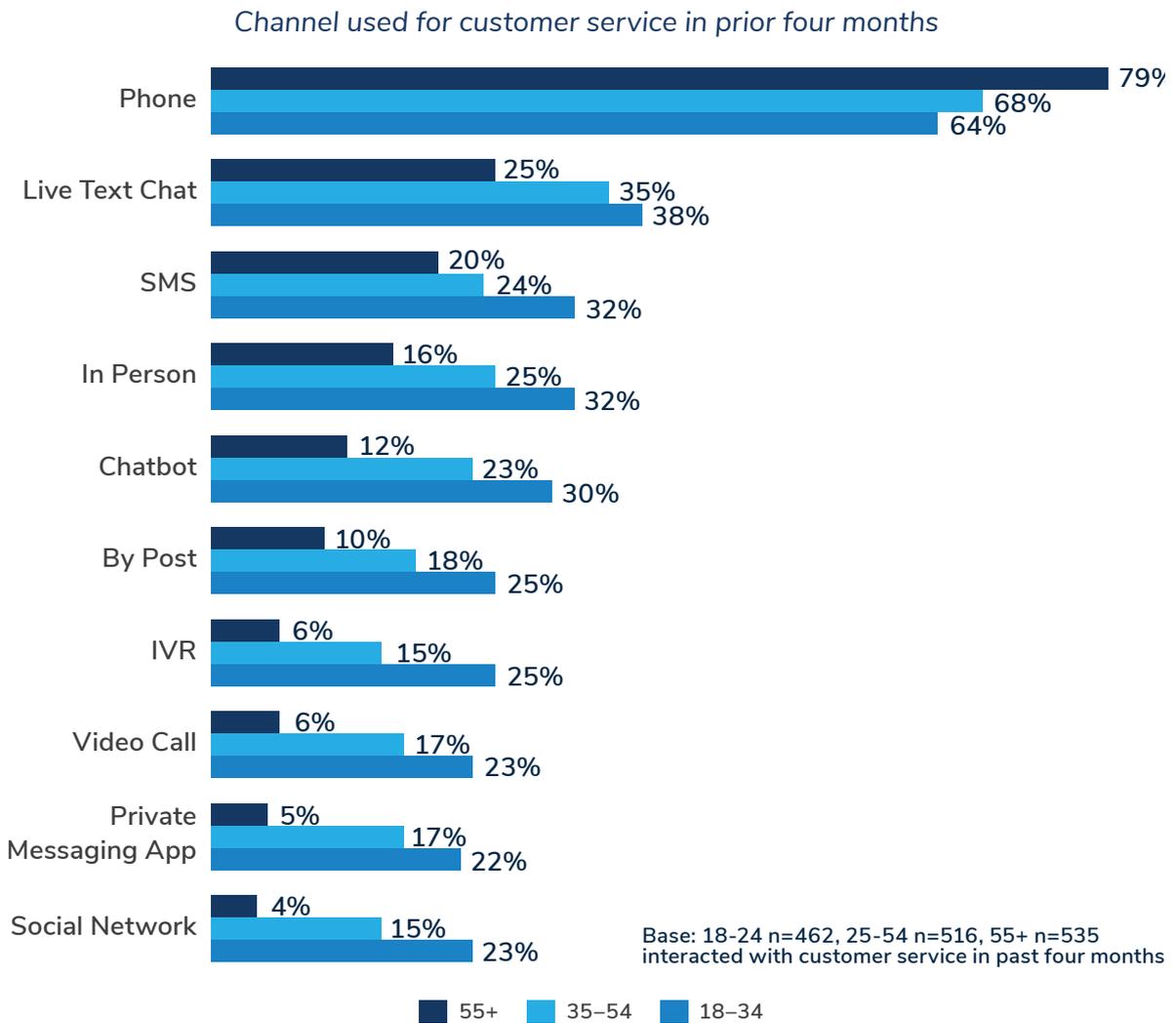
Source: Frost & Sullivan's 2021 CX Predictions Survey

AI applications are mature and effective

When it comes to service and support, customers want options. That means being able to engage with the company on any channel, at any time and on any device – all while getting a consistent, seamless experience. This will rely on leveraging technology and a shift change in attitudes when it comes to using assisted channels using artificial intelligence (AI), machine learning (ML) and natural language processing (NLP). The industry has reached the edge of the hype cycle for AI and is actively harnessing a set of AI technologies to infuse intelligence across the customer contact landscape. These technologies mean that customers can speak naturally (either through voice or text) and AI-based conversational agents can understand and respond appropriately.

Self-service driven by AI chatbots can more quickly and accurately handle enquiries and make the self-service experience more effective and engaging. Sentiment analysis can be used to identify customer emotions and advise an agent how to respond. Generally, agents are freed up to deal with more complex issues, which has been shown to be more rewarding for agents leading to a reduction in staff turnover.

According to the CCMA's and Odigo's Voice of the Contact Centre Consumer 2021 survey, phone contact is still dominant, with live chat rising fast. Younger people tend to use a variety of channels, while phone is still preferred amongst older people. It is apparent that phone will continue to be part of a omnichannel strategy, and this can be enhanced through the use of maturing technologies.

Channel used for customer service in prior four months

Phone — 79%, 68%, 64%
Live Text Chat — 25%, 35%, 38%
SMS — 20%, 24%, 32%
In Person — 16%, 25%, 32%
Chatbot — 12%, 23%, 30%
By Post — 10%, 18%, 25%
IVR — 6%, 15%, 25%
Video Call — 6%, 17%, 23%
Private Messaging App — 5%, 17%, 22%
Social Network — 4%, 15%, 23%

Base: 18-24 n=462, 25-54 n=516, 55+ n=535 interacted with customer service in past four months

Legend: ■ 55+ ■ 35–54 ■ 18–34

Source: CCMA and Odigo, Voice of the Contact Centre Consumer

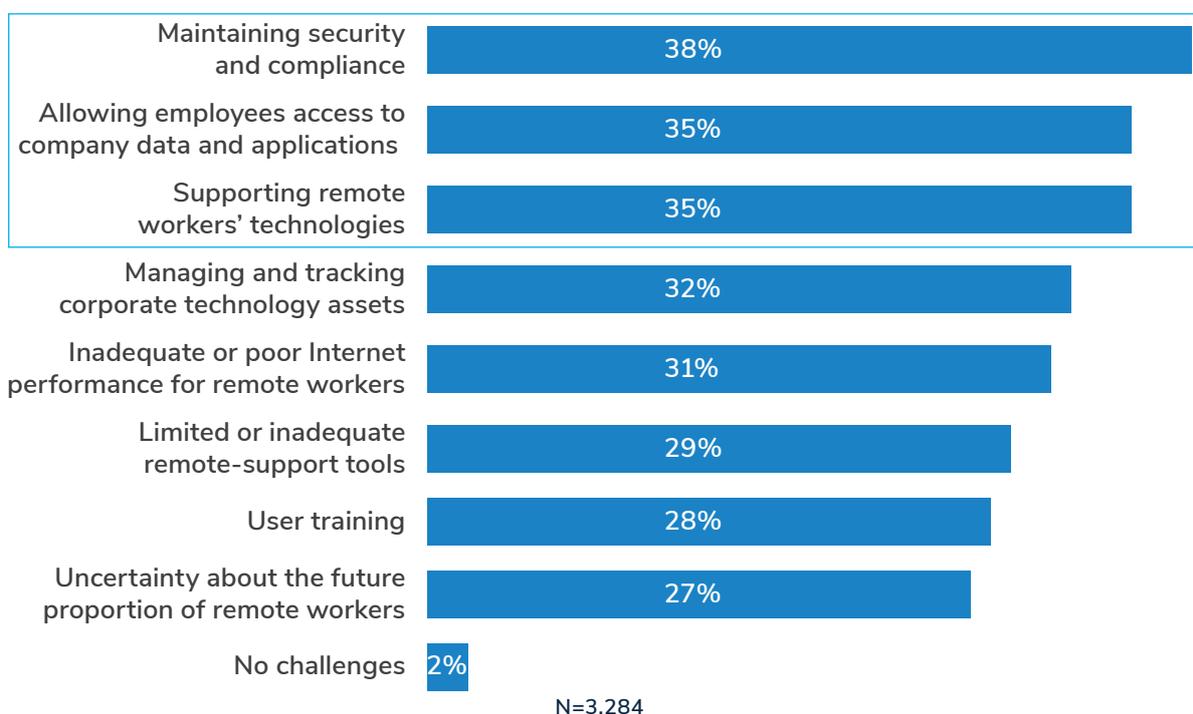## Working from home: Reduced absenteeism and increased productivity

The COVID-19 pandemic has accelerated the need for agents to work from home along with self-service being used to assist with rising call volumes. Despite initial concerns, working from home appears to have resulted in improved or stable productivity for agents and higher customer satisfaction (CSAT) scores. The latest collaboration and video conferencing tools

make training remotely easier and video conferencing has helped level the playing field for all employees. The flexibility of working remotely has also reduced stress and enabled agents to be more focused and more engaged.

Working from home enables contact centre managers to draw from a larger pool of talent further away from physical offices, including more highly-qualified and motivated individuals and more diversity.

Of course, remote work throws up concerns around the privacy and the security of personal data. Maintaining security and compliance was a top challenge for IT departments to contend with when staff moved to work from home, and cybersecurity is the top priority for investments over the next few years.

Top IT Challenges Supporting Remote Workers: Global, 2021

Challenge	Percentage
Maintaining security and compliance	38%
Allowing employees access to company data and applications	35%
Supporting remote workers' technologies	35%
Managing and tracking corporate technology assets	32%
Inadequate or poor Internet performance for remote workers	31%
Limited or inadequate remote-support tools	29%
User training	28%
Uncertainty about the future proportion of remote workers	27%
No challenges	2%

N=3,284

What are the biggest challenges IT admins are experiencing with regard to supporting remote work (besides budgets constraints)?

Source: Frost & Sullivan's 2021 CX Predictions Survey

It should also be clear that remote work does not suit everyone. Some companies are opening up satellite or hybrid offices so that employees have an option to work in a small office near home or can go in for meetings or training with colleagues. It is important that companies keep remote agents engaged with weekly meetings or team calls, one-to-one meetings or chat channels for problem solving. Online social events like coffee breaks, fun activities or yoga sessions can also engage agents and increase satisfaction.

When remote working is carefully implemented, companies can benefit from a reduction in operating costs, a larger talent pool, the ability to provide flexible schedules and an improvement in employee satisfaction and retention levels.

Chapter 4: A Look Ahead: The Future of Customer Experience

To stay ahead of customer expectations, forward-looking companies will need to focus, not just on customer satisfaction (CSAT), but on customer fulfillment. Since agents are the frontline for handling customer issues and emotions, they play a huge role in delivering outstanding customer care. The human touch is a requirement for superior customer experience (CX) that will not disappear with the addition of digital self-service channels. In fact, the focus will be on making digital experiences more human.

A seamless mix of human and digital interactions

The combination of artificial intelligence (AI) tools, alongside the human touch, is enabling augmented agents that raise performance and increase agent capabilities. Agents can focus on providing a customer experience that is more helpful, efficient and personalised. The key is in automating tasks and interactions wherever possible and then reserving live agents for when intuition, emotional intelligence and the human touch are required. Virtual assistants can provide guidance and process automation in the background, or work alongside an agent, helping to fill in forms, investigating knowledge databases for information, or providing a guided resolution.

AI, machine learning (ML), deep learning (DL) and natural language processing (NLP), along with powerful analytics, will provide more contextualisation and make interactions as short, specific
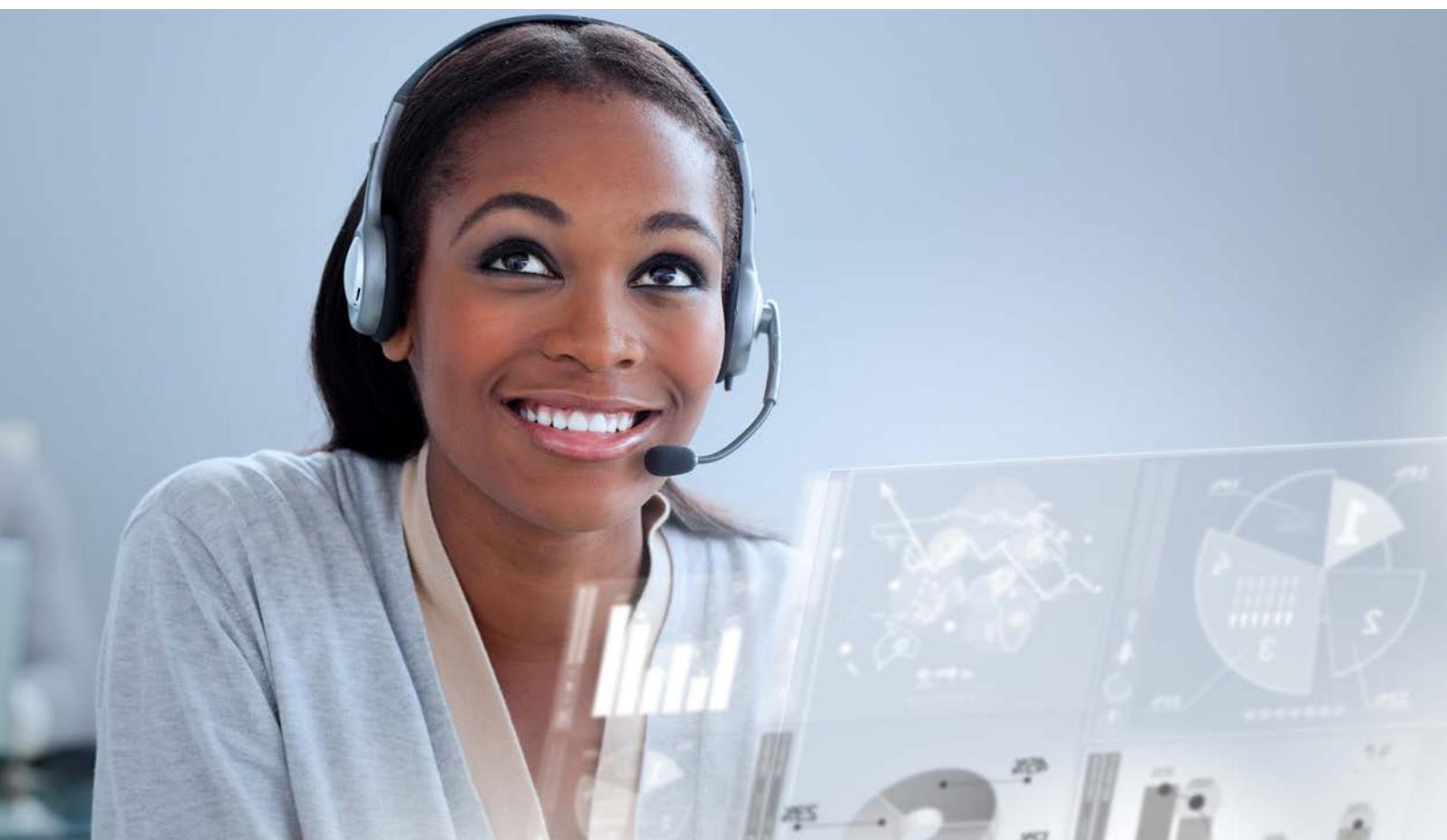
and meaningful as possible. The technology will be very subtle and invisible to the customer and balanced between providing empathetic human-like experiences with the instantaneous results that consumers have come to expect.

The adoption of 5G technology will also enable more video-based interactions with high definition video calls replacing some in-person interactions.

An ideal CX solution will focus on leveraging data for seamless integration

Augmented agents will continue to drive advances in personalised customer service, with AI supporting agents' work and cloud-based Contact Centre as a Service (CCaaS) solutions being properly integrated with the entire CX ecosystem.

We will see the rise of more capable, intelligent data-driven bots (such as Google Contact Center Artificial Intelligence (CCAI) and IBM Watson) that can be deployed across multiple interaction channels. All possible points of engagement or connection (digital to voice to in-branch) will be fully integrated so that the channel itself becomes irrelevant. The customer's engagement history is effectively captured wherever it occurs so when a conversation takes place, agents don't need to ask the customer to repeat information. Real-time data analysis can also enable prediction. For example, if a utility provider sent out bills yesterday, they can determine, based on a customer's personal circumstances, how likely it is that the customer will contact them. Being proactive through prediction can increase CSAT and reduce agent workloads.

While semantic recognition and analysis has seen low adoption so far, it will increase in the next 5-10 years as the technology constantly improves. The ability to analyse language and perceive the tone of voice through NLP gives AI the ability to understand the emotions behind a customer's words.

> ❝ **Leveraging data and sentiment analysis is instrumental in grasping the challenges and seizing the opportunities of modern customer experiences. Data provides the facts, sentiment analysis the feelings.** ❞
>
> *– Odigo, Data, NLP, and sentiment analysis – customer experience gamechangers*

Agent experience: Work from home, cloud and skill-based routing

Most companies will not go back to business-as-usual and we will see a shift to more permanent work-from-home models. Frost & Sullivan expects that anywhere from 45% to 65% of agents will remain in a work-from-home situation. This requires successful adoption of the cloud, reliable connectivity and intelligent work management tools to optimise agent and customer experience. In addition, cloud security and cloud-based data recovery will be vital for companies to ensure security and business continuity.

Regardless of where employees are based, contact centres will benefit from the division of labour enabled by skill-based routing (SBR). This enables agents to specialise in specific areas and develop expertise, and reduces the number of transfers for customers. As the technology

develops, this will be enhanced by contextual routing and intelligent routing which leverages AI to provide real-time insights about customers to steer queries effectively.

Workforce engagement management (WEM) will continue to be an important tool for elevating agent experience (AX). This includes metrics such as the behaviour and success of agents; agent attributes, such as skills, knowledge, and communication; and employee preferences, including scheduling and personal goals. Additionally WEM provides flexible scheduling options for agents to drive their own schedules as well as gamification.

Ultimately, customers expect companies to meet them on the channel of their choice at any time. While the addition of digital self-service channels is important to enable this, the human touch will remain a requirement for superior CX. The latest AI technologies will provide agents with an enhanced set of capabilities that make their jobs easier and more satisfying, ultimately improving both agent and customer experiences.

The Last Word

The COVID-19 pandemic has accelerated changes in CX, some of which were already occurring at a slower pace. In the future, forward-looking CX companies should think about the following:

- The opportunity to evolve from the challenges thrown up by the pandemic is very important – companies should not try to return to pre-pandemic standards of service

- Customers tired of waiting in long service queues gave self-service a try and liked it; Companies can successfully move customers to self-service where appropriate and still improve their CSAT scores. It is important that there are options for live-chat or agent assistance if initial resolution suggestions don't meet customer needs

- The future of CX is channel-less. Agents should be aware of previous interactions and be able to offer more personalised experiences as a result

- Personalisation relies on effective data strategies that address data storage issues, adhere to relevant regulations, and eliminate data silos to effectively link channels

- AI tools, based on the right data, will increasingly help agents to raise their performance and engagement, enabling them to deliver an exceptional, personalised CX

- Most companies will not go back to business-as-usual and we will see a shift to more permanent work-from-home models. Companies can benefit from a reduction in operating costs, a larger talent pool, the ability to provide flexible schedules and an improvement in employee satisfaction and retention levels

- The human touch will remain a requirement for superior CX

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