

The Future State of Customer Experience

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Introduction

Frost & Sullivan recently partnered with the leading Contact-centre-as-a-Service provider Odigo to gather UK-based thought leaders from the finance, telecommunications, and nutrition industries to discuss customers' digital expectations in 2022 and beyond.

Customer expectations and behaviours change dynamically based on context, convenience, or necessity. Regulatory environments sometimes change unpredictably. Frost & Sullivan finds that for companies to ensure they satisfy customers' ever-changing digital expectations, their future priorities must be resilience and agility, empathy and engagement, and security and digital ... everything.

The accelerating shift to digital channels enables new, satisfying customer journeys. Because digital customer journeys generate a wealth of data, it is reasonably easy to quantify the experience and manage the outcome. However, organisations must curate and improve their digital delivery capabilities continuously. Consumers are increasingly conscious of digital excellence and will judge companies against any organisation they consider best-in-class.

Despite digital progress, voice will remain a significant channel far into the future. Moreover, the most complex high-value interactions will occur in cross-channel journeys that involve human agents at important junctures. Those interactions will frequently begin in a digital channel but eventually require a hand-off to an agent, which is challenging for them, as they can feel thrust into ongoing interactions with well-informed, assertive customers.

The tactical goals of customer experience (CX) operations should aim to reduce effort and remove friction. Organisations should address the root causes of customers' queries to anticipate possible questions and issues, and partnerships with CX technology vendors will be essential to running future-proof CX operations.



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Tactics to Move Interactions from Voice to Digital

The thought leaders felt the term digital was too broad and open to interpretation to inform a discussion about inducing interactions other than voice. Understanding what customers want to achieve, which journeys they prefer to execute, and which digital channels are relevant is vital. Each digital channel has different challenges, and minute details (e.g., whether the customer uses a web or mobile browser) matter. Customers find it easy to speak to a human because they can explain the problem and resolve it with minimal miscommunication and misunderstanding. The challenge is to replicate that immediacy digitally.

Craig Goold, head of CX and change demand at Skipton Building Society, felt that organisations should always begin by analysing available data: 'Understanding why people are contacting you in the first place. How much of that contact is driven by you asking them to ring you? The first question is, should they be contacting you in the first place?'

Goold felt that, without a thorough understanding of the journeys customers go through, organisations could end up solving the wrong problem and invest in a suboptimal solution. Removing the need for customers to initiate an interaction is far more effective than moving them from voice to digital.

The thought leaders agreed that most organisations did not fully appreciate their role in causing the problems customers contacted them about. Communication (or lack of) and broken processes are often the root causes. Fixing a communications problem is more than presenting information in the most accessible manner possible. The information must also be accurate and up-to-date, meaning knowledge management is essential. Otherwise, customers will only trust human agents.

Unless an organisation is convinced that a digital-only approach is suitable for the specific segment or demographic it serves, the thought leaders felt it was wrong to incentivise digital channels by making voice inaccessible. Businesses would need to make informed decisions about potentially closing themselves off to other segments, and it is wrong to believe every organisation must join the race to move customers onto digital channels. Ultimately, customer loyalty is essential to business survival, and the service offering must be strategic and based on customers' preferences rather than the result of misguided short-term thinking.

Neil Titcomb, managing director of Odigo UK, agreed that knowing your customer is essential. He has seen many unfortunate examples of businesses treating everyone the same. Although some use case customer types may wish to interact 24/7 using a digital channel, this might only apply in a distinct situation or moment. Customers now recognise digital deflection tactics well, which risk creating resentment and churn when organisations fail to articulate meaningful benefits (e.g., less time and effort via self-service) as compared to speaking with an agent. But when organisations get the balance right, CX can improve markedly.



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Designing the Optimal Digital Channel Mix

The channel mix might not always be a choice. Businesses should research their customers' behaviour and match the channels and devices customers are already using in their daily lives. The thought leaders discussed whether they could predict effectively how customer preferences might evolve and whether analysing competitors would help forecast the optimal future channel mix. The conclusion was that organisations should focus on customers' current needs and not risk wasting time and money acting on predictions that may be false.

Personalisation should be a priority for organisations looking to improve their channel strategy. Pam Howell, director of customer care and transformation at Lifeplus, shared how Lifeplus sells nutritional supplements through associates in the fitness and healthcare industries, to whom Lifeplus often constitutes a secondary income. Their connection to the organisation is much stronger than a regular business-to-business (B2B) relationship. Rather than trying to make its support operations cheaper, Lifeplus pursues a highly personalised approach that strengthens the B2B connection and avoids depersonalisation: 'Video—which we thought five years ago would be bonkers—is a way we can truly make that connection. It's the nearest thing to human-to-human. You can hear them, you can see them, you can see the visual cue, and you can build a relationship.'

The thought leaders also discussed their ability to design the optimal channel strategy without leaning on technology partners. They agreed it was not difficult and preferred doing it themselves, as long as they did not overthink the task. Howell expressed the idea most clearly:

**You know your business. That's the most important thing.
You know your customers and have the data to
show how customers are behaving, how satisfied they are with the
current journeys and outcomes. You know your own
journeys and your back-end processes.
I'm not sure how a third party could come in
and assume all of that information.**

However, the thought leaders did believe technology partners that already hold customer data and accumulate best practices from peers can be extremely helpful in saving time, hassle, effort, and cost. This would be invaluable and an inroad into more consulting work for partners. Technology partnerships should focus on moving organisations along in an agile way, testing and learning new capabilities rather than providing big-bang moments and multi-million-pound investments, which organisations are unlikely to want.

Artificial Intelligence (AI) Improving Conversion, Loyalty, Satisfaction, and Personalisation

Ian McDonald, head of applications at TalkTalk, stated that AI is vital to protect recurring revenues in the telecommunications industry. Big Data helps companies understand whether subscribers are on the right package or if their service is no longer meeting customer needs: 'With AI, we're able to predict [what customers need] through the size of a house, through the number of devices that are attached, through the types of activities that people are doing.'

It might be better for an operator to upgrade a package, but keeping the subscriber on the same tariff and using AI to analyse customer intent and uncover opportunities for improvement in a particular area could inform a company's areas of investment.

Titcomb added that personalisation relies on understanding customers in each specific moment. All Odigo's research indicates that organisations that apply AI to prioritisation and treating customers more appropriately achieve better outcomes. Used that way, AI is most valuable to drive a positive attitude, brand loyalty, evangelisation about the experience, and, ultimately, more business:

I think there's lots of conversation at the moment with our clients around sentiment analysis and that concept of understanding the real situation a person is in, where possible. And it does not apply to every experience, obviously, but it can have a major effect in certain scenarios. That's some of the advice we would give. It's definitely not one-size-fits-all, but there is applicability in many different situations.

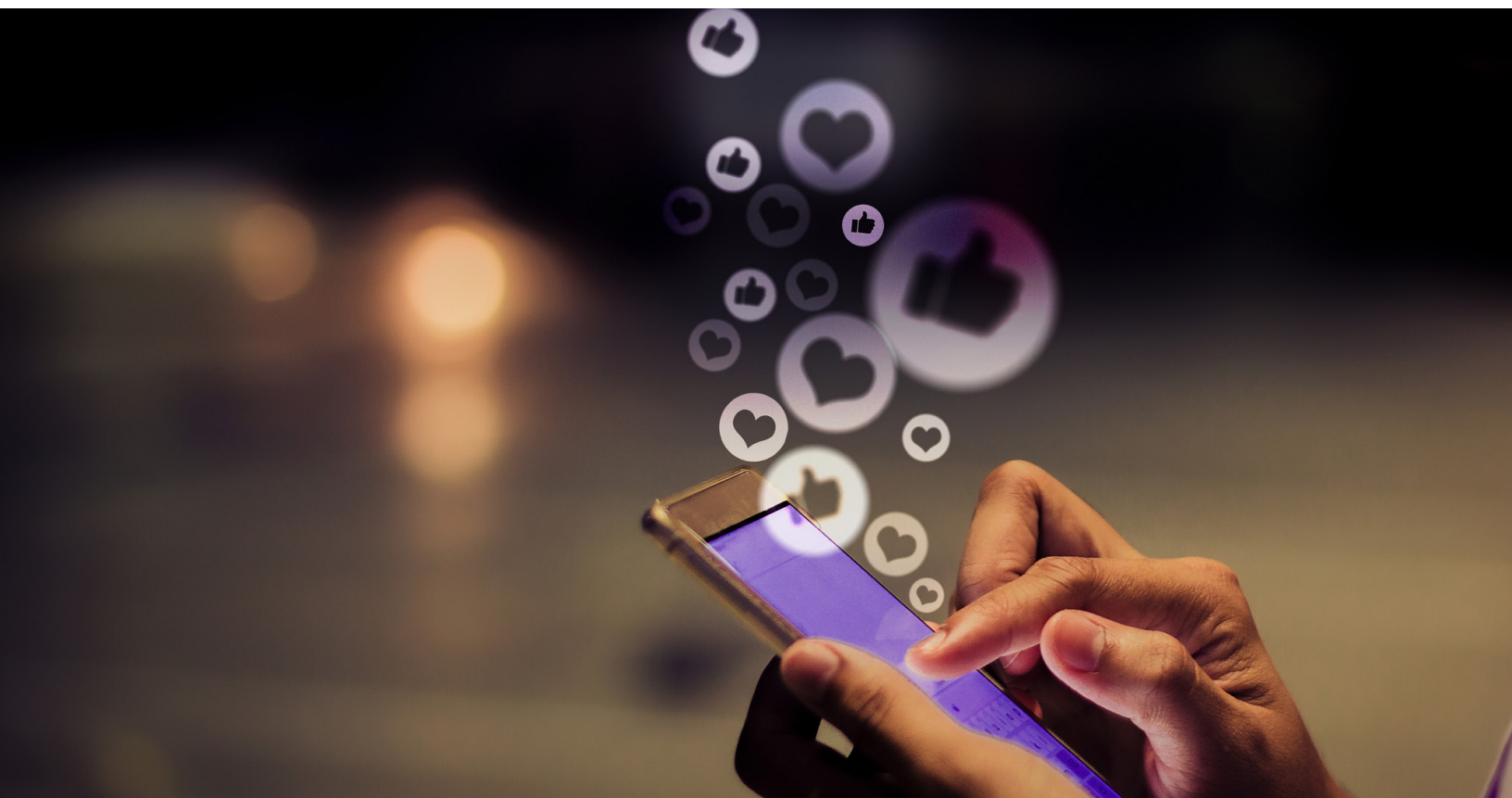
The thought leaders agreed that voice biometrics technology has improved measurably during the last 10 years. Early implementations sparked negative customer feedback. Customers disliked speech recognition, and it took a while to overcome that initial perception. However, thought leaders are now eager to harness voice biometrics to eliminate the cumbersome authentication process at the journey's initiation, as customers are more likely to be in a good mood and exhibit positive sentiment when an agent first encounters them. Voice biometrics technology represents a significant win for customers and agents, but fine-tuning it is essential to success. With all speech recognition applications, organisations must be realistic about limitations, test the solution, understand customer feedback, and obtain their buy-in.

The Last Word

During the discussion, stakeholders kept circling back to the essential concept of knowing their customers. Harnessing every interaction to build loyalty rather than pushing people away means implementing digital strategies with caution and care and affording customers choices.

Organisations should not use digital customer journeys as a blunt instrument or implement crude tactics to migrate interactions from voice to digital overnight without considering all the implications. Companies that carefully execute their technology implementations usually enjoy great success and customer take-up. Automation plays a significant role in everyone's future, but it must add value, not increase the risk profile. Low-value, low-complexity, and low-emotion interactions are the most appropriate candidates for automation because human agents provide little value, and back-office automation that does not directly affect CX is a clever start.

Finally, the thought leaders all stressed the importance of considering all aspects of CX and its associated processes, front to back. One thought leader described the notion as a swan-like CX, where on the surface everything looks effortless, but underneath legs are kicking frantically.





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