

A Human-Centred Approach to Creating Lasting Customer and Employee Relationships

A Frost & Sullivan White Paper

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Customer Experience: The Catalyst for Enterprise Success

For many industries, competition increasingly revolves around the customer experience (CX)—the factor most impacting customer loyalty and the key differentiator in an organisation's success. CX is equally important to a company's products/services for 80% of customers, and 57% claim they have moved to a competitor for a better experience.¹ Organisations focus on improving CX once they understand the potential return on investment.

With 82% of service decision-makers stating that their firm's customer service must transform to stay competitive,² CX is crucial to success in a world where switching brands is so easy.

Frost & Sullivan found that improving CX is a significant corporate goal, with 7 of 10 executives in the United Kingdom considering CX a crucial or consequential business objective during the next year.

The contact centre's role in delivering satisfactory CX was heightened during the COVID-19 pandemic, and ensuring customer centricity in competitive strategies will boost its delivery capacities in the future. Improving CX involves multiple phases impacting organisational culture. Fortunately, approximately 40% of leaders measure their digital transformation success with customer satisfaction rates.

Maturing or innovative technology and solutions have provided new capabilities for customer service. The contact centre industry has entered a new era, with enterprises rapidly adopting technologies to keep pace with changes in customer behaviour.



1 State of the Connected Customer, Salesforce Research

2 State of Service, Third Edition, Salesforce Research

CX is vital to creating value in this new era. Product/service quality is no longer the only consideration; customers' emotions and experiences while using products/services are equally important. Businesses from all sectors are improving and personalising experiences and interactions using technology.

While the pandemic affected all business sectors, the contact centre industry benefitted and learned from it, and these advantages and lessons are ongoing. CX is no longer solely the contact centre's responsibility, but its care and feeding involve all stakeholders in an organisation. By embracing a customer-centric business transformation, brands can align CX with customer expectations. In the United Kingdom, a Call Centre Management Association survey found that "people aged 34 or younger are almost twice as likely to believe customer service has improved since before the pandemic (42%), compared with those aged 55+ (22%)."³ However, the same survey found that younger generations have higher expectations: "people aged 25 to 34 are twice as likely to have complained about customer service as those aged 65+."

Customers in 2022 and Beyond: Higher Expectations and Heightened Demands

The pandemic transformed the world and customers changed with it, adopting habits that the majority will retain. Customers are impatient and anxious yet more reflective and selective in their decision-making: 61% say the pandemic has increased their customer service expectations⁴ and 28% say customer service is worse than before the pandemic.⁵

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3 Voice of the Contact Centre Consumer 2021, A Call Centre Management Association Research Initiative

4 CX Trends 2022, Zendesk

5 Voice of the Contact Centre Consumer 2021, A Call Centre Management Association Research Initiative

Buying patterns are shifting, and while value and price are equally important in capturing customer loyalty, offering quality products/services at competitive prices is not enough. People judge organisations by their social engagement and impact on the communities in which they operate. Companies that consider their effect on the community rather than focusing on their product/service will gain competitive advantages. Sustainability is a top trend in CX, and customers are becoming selective about the companies they use.

Customers who resisted using digital channels (or did not know they were available) had to adapt when reaching a live agent was difficult, acquiring the skills and confidence to use self-service channels. Since the pandemic started, most customers have begun using online or digital channels to buy what they need. Globally, 69% of users are willing to interact with a bot to solve simple problems,⁶ an unthinkable figure in early 2020. However, customers were already communicating with companies through an increasing number of channels, and the pandemic accelerated that trend.

Digital customer interactions jumped from 32% to 55% in Europe within the first 6 months of the pandemic, and this percentage is increasing.⁷ Thus, CX's digitalisation is at the centre of companies' strategic planning, and most business-to-consumer firms around the world increased their investment in digital customer engagement accordingly during 2021. However, organisations must do better. **While 87% of customers increased their digital usage from 2020 to 2021, only 38% felt that automation improved CX.⁸**

Customers shop across multiple channels, and their expectations have evolved. They seek convenience as a non-negotiable asset and a seamless experience. Sustainability, purpose, and social impact are vital customer goals, and these demands will remain.

Decision-makers' Views on CX and Employee Experience

The headwinds of change that gripped customer care in 2020 and 2021 created abundant CX growth opportunities, accelerated key trends, and highlighted other trends' importance. UK decision-makers shared the top 3 CX priorities for their organisation:

- Leveraging CX information across departments
- Ensuring customer trust
- Protecting customers from security threats

In customer relationships, trust regarding the security of company processes and safeguarding customer data is fundamental to improving CX. About 80% of decision-makers in the United Kingdom rate security features as a must-have or desired factor when selecting a CX solution provider. Other crucial decision-making factors include:

- Quick return on investment
- Superior level of customer care
- Highly reliable solutions

6 CX Trends 2022, Zendesk

7 Statista, 2022

8 Nippon Telegraph and Telephone 2021 Global Customer Experience Benchmarking Report

Leveraging CX information across the company is a crucial customer care objective. Companies must create a unified cross-channel contact management strategy. Unfortunately, only 11% of the UK leaders that Frost & Sullivan surveyed believe their company has integrated channels. The costs of implementing integrated solutions and the fact that different departments manage the channels in silos have prevented companies from delivering integrated, omnichannel experiences.

In the United Kingdom, the top drivers for leveraging successful CX investments next year are:

- Automating and streamlining business processes
- Developing a quality mobile experience
- Sharing CX information across departments
- Protecting customers from cybersecurity threats

The pandemic highlighted the need to improve employee experience across business sectors, not only in the contact centre. Amid the Great Resignation, which triggered a war for talent, contact centre leaders must adapt their hiring processes and offerings while making the workplace a better place to encourage workers to stay. When agents can perform their roles better with less effort, they experience job satisfaction and stay with a company longer. According to the latest Frost & Sullivan digital transformation survey, 33% of UK leaders stated they will empower employees with solutions that enable them to make their own or better decisions. Because decision-makers have realised that agent empowerment profoundly impacts CX and brand consistency, adopting much-needed tools and implementing the necessary changes to support employees has increased globally.

In summary, besides having access to the best technology, optimised processes, and product innovation, agents' behaviour and performance determine the company's relationship with its customers. Companies that support and connect with their employees create an engaged, high-performing workforce that delivers a best-in-class customer journey. Thus, EX and empowerment are paramount to improving CX.



Leverage Innovative Solutions to Create Fruitful and Consistent Journeys for Customers and Employees

Frost & Sullivan believes customer contact will evolve from interactions on disparate channels to seamless, proactive, asynchronous, and persistent customer journeys. By adding capabilities that artificial intelligence (AI), automation, analytics, and richer integrations enable, companies will unleash demand by increasing personalisation, expanding the user base.

During the last 2 years, Frost & Sullivan saw the rapid adoption of disruptive technologies and innovative practices across industries, particularly within the customer service landscape. Frost & Sullivan found that about 80% of companies will deploy some form of AI by the end of 2022. Virtual agents and speech technologies are top investment priorities. These solutions enhance self-service technologies, delivering proactive, efficient customer care and meeting high expectations when customers interact with automated tools. The government and energy sectors will continue to invest heavily in voice, education, and professional services in video channels, and transportation and healthcare will invest in social media.

For years, businesses discussed automation taking layers off work, but companies have discovered they must know when to insert a live agent when self-service falters and requires a human touch. The pandemic made this clear. People may prefer self-service but will appreciate live assistance when necessary. Finding the right balance regarding the conversations, tasks, and processes the company should/should not automate is vital.

Transforming CX starts with providing the customer with intuitive and easy-to-use self-service tools, so they only need to contact a live agent for unusual inquiries and service. AI and powerful analytics enrich the new tools that augment the acumen and breadth of self-service options, allowing for complex handling of interactions and offloading work from live agents.

Agents are also using tools with added intelligence. AI-enhanced tools help train employees and assist them in complex interactions. Best-of-breed agent desktop solutions provide easy access to performance data, customer history/context, and relevant information regarding the customer journey and user needs, equipping agents with tools to provide solutions and customise answers and offers.

Providing better tools for agents and employees is pertinent to meeting customer expectations. Investing in solutions and technologies is a positive step but turning them into fruitful and consistent experiences for customers, agents, and employees is challenging. Companies must understand and fulfil the evolving needs of customers and employees or fail. Frost & Sullivan recommends that companies transform and enhance EX and CX to stay competitive and relevant.

In the post-pandemic era, people must be the centre of the CX design and operations, and companies must leverage the best technology available to enhance their skills and create powerful, lasting connections with customers and employees.



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