odigo · davies hickman

How UK businesses are using AI to improve CX

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The research was carried out independently for Odigo by Davies Hickman Partners. The data and views in this white paper have been prepared in good faith, but neither Odigo nor the authors of the report can be held responsible for any actions or otherwise taken by those reading it.

Summary

UK business executives are aware they do not have the artificial intelligence (AI) skills and knowledge to drive the customer experience (CX) that their organisations want to achieve (AI uses machines that learn from experience whilst emulating human thinking and actions). This is a key finding from independent research with a UK sample of 205 business executives across different sectors in 2020.

Whilst UK business executives are increasingly interested in investing in AI, with over 80% thinking AI would add value now and in the future, 4 in 5 respondents recognise that there is a lack of knowledge in their organisations when it comes to understanding different AI technologies.

The research shows that organisations are very willing to embrace AI technologies including Customer Experience Management, Intelligent Customer Performance Management, Omnichannel Customer Profiles, Process Automation and Smart Data Management. The ability of AI to predict and meet the needs of their customers, improve customer retention and decrease operational costs are the most valued aspects to organisations investing in AI.

Most business executives agree that their contact centres and the level of customer experience they offer could be improved. It is executives in IT, Finance, Compliance and Leadership that emphatically back AI for CX whilst most respondents in this independent research agree that investing in AI for CX is vital or plays an important part in the future success of their business.

#1

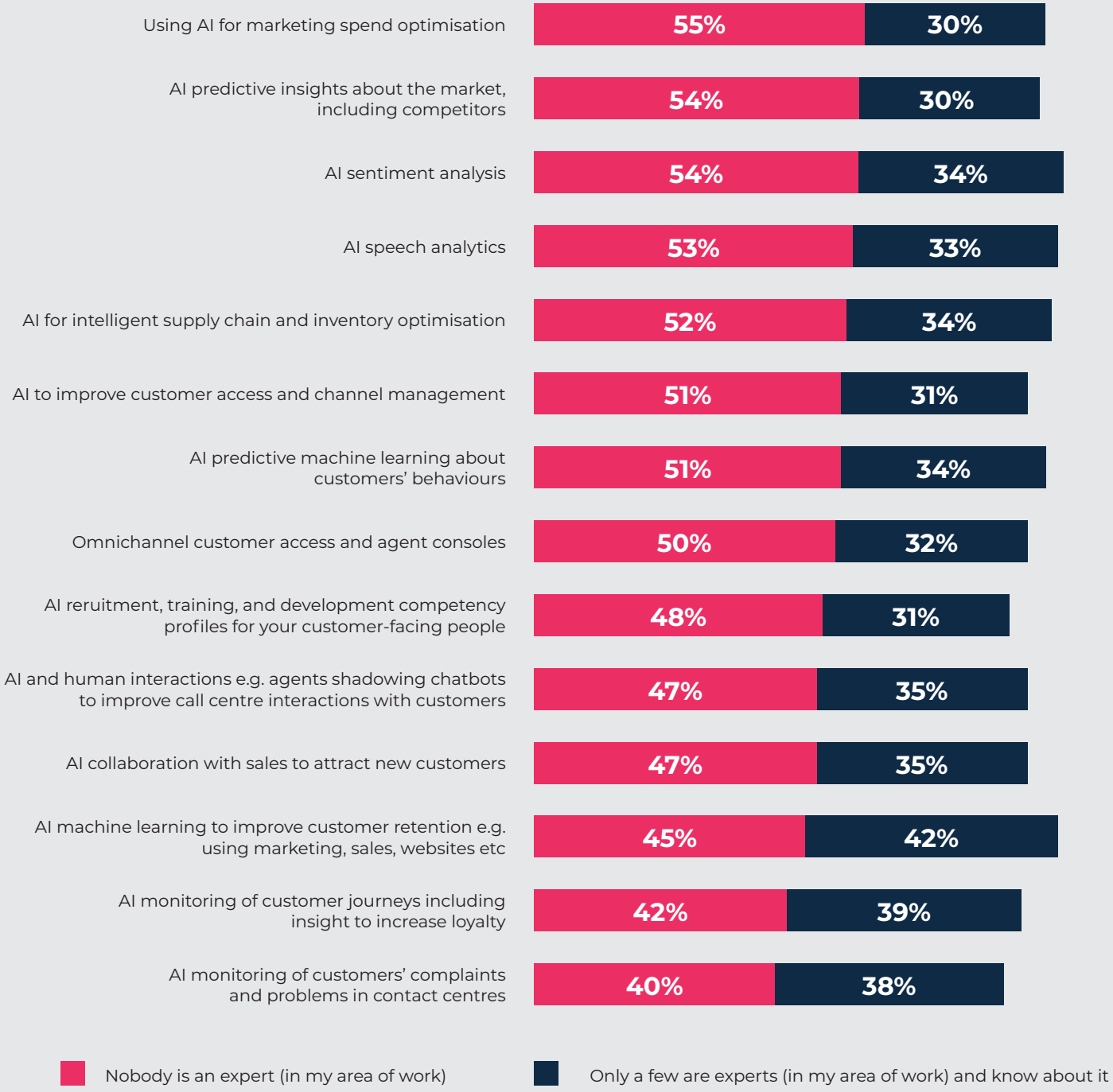
AI of high interest to business executives but 4 in 5 lack relevant skills

87% say AI technologies are vital/important to the success of their business. However, the increased revenues and cost savings to be gained from AI are being delayed because business executives lack the AI skills to improve customer experience (AI uses machines that learn from experience whilst emulating human thinking and actions).

- 85% think that colleagues believe investing in AI is a good way to improve CX
- 81% agree that a lack of AI knowledge stops their investment in improving CX
- Over 4 in 5 business executives say that there are no, or only a few, AI experts in their area of work

There is a wide range of AI technologies available to improve the efficiency of organisations and their relationships with their customers, yet there are no or few experts available.

How familiar are your colleagues in your area of work with the following AI technologies?



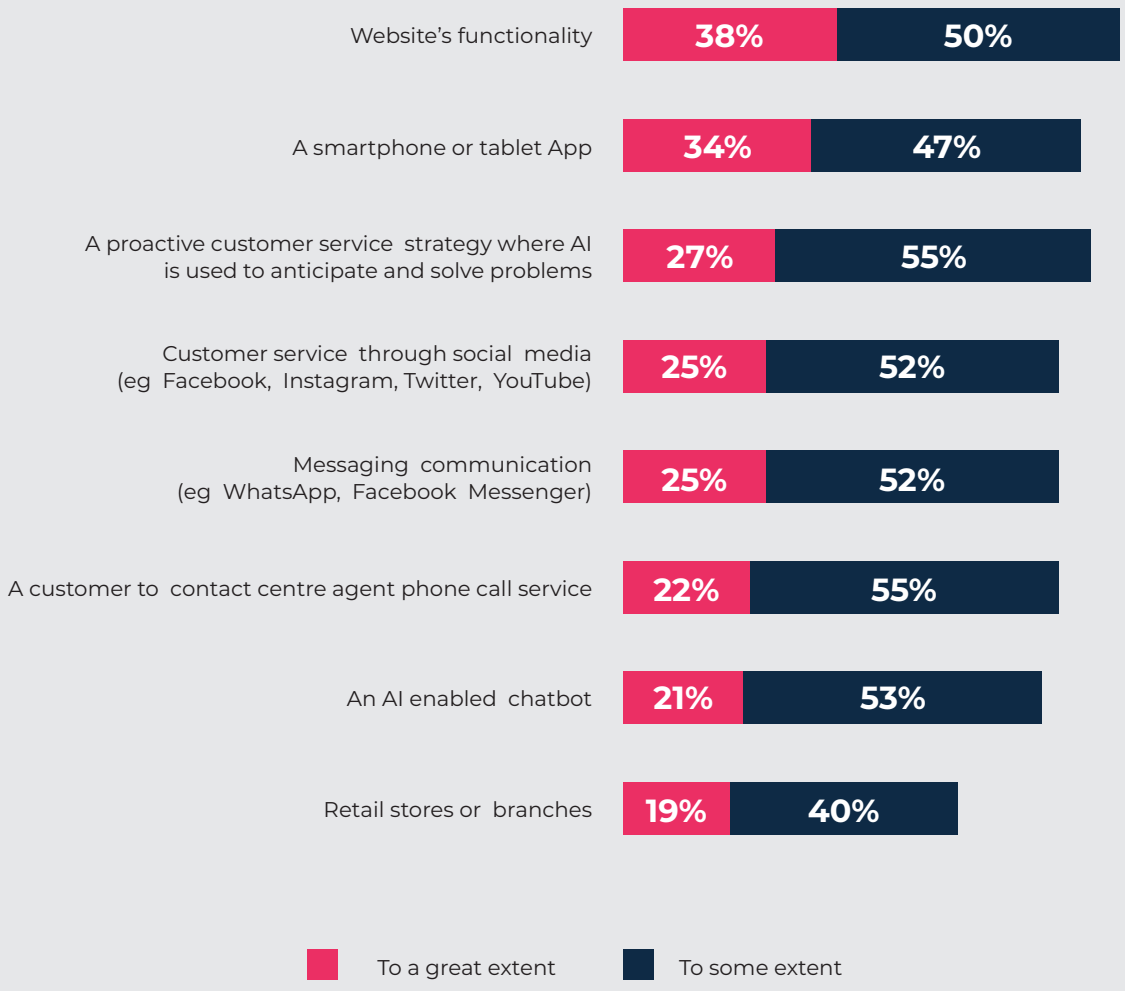
Business executives from a range of functions and sectors agree AI is important but a lack of AI skills is holding back AI investment. Given the almost unanimous view from the respondents, organisations need to assess their AI capabilities including the allocation of time and resources to enable colleagues to understand different AI technologies.

#2

UK business wants AI to meet its CX challenges

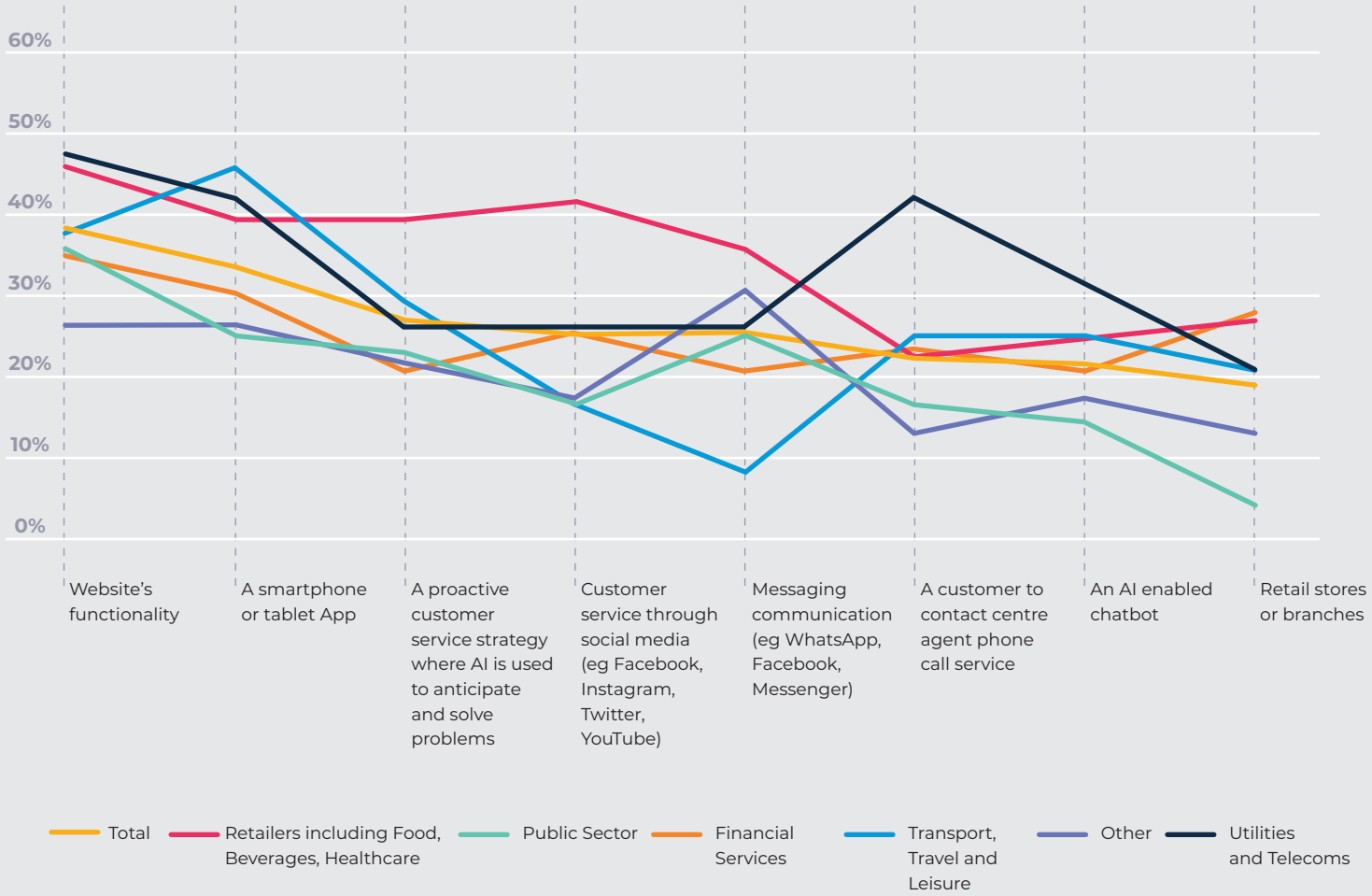
The CX challenges faced by business executives may be due to, among other reasons, their digital transformation maturity, how they deliver in-house or outsource customer experience and the standard of customer service. Yet respondents signal their commitment to customers by the range of channels they propose prioritising in the future.

Thinking about the customer experience your organisation offers, to what extent should the following channels be priorities in the future?



By analysing the responses of executives who work in Retail, the Public Sector, Financial Services, Transport, Travel, Leisure, Utilities and Telecoms, the research also identifies how industry sectors have different CX channel priorities. Business executives from some sectors agree websites, apps and proactive service are top priorities for CX channels whilst others from different sectors prioritise social media and calls to a contact centre agent.

Thinking about the customer experience your organisation offers, to what extent should the following be prioritised in the future? Saying: "To a great extent."



Overall, UK business executives show a high interest in the following applications of AI technologies and the business value they add in the future:

9 in 10 see value in **AI Customer Experience Management** to equip live contact centre agents for complex interactions and shadowing chatbots or voice activated systems when automating routine customer tasks. Respondents agree the top benefit is:

- **Increasing customers' positive emotional experience and building customer loyalty.**

9 in 10 see value in **Intelligent Customer Performance Management** to recognise customers and understand the context of their queries and interactions. Respondents agree the top benefit is:

- **Meeting the needs and reasonable expectations of customers, including personalisation.**

9 in 10 see value in **Omnichannel Customer Profiles** to match customers to service levels for apps, voice, mail, chat, text, social and video. Respondents agree the top benefit is:

- **Improving customer retention with communication and engagement.**

9 in 10 see value in **Process Automation** to automate back office and supply chain functions. Respondents agree the top benefit is:

- **Being proactive by anticipating and meeting customer needs.**

9 in 10 see value in **Smart Data Management** to optimise the analysis of big data for forward intelligence, customer insights and proactive actions. Respondents agree the top benefit is:

- **Reducing problem incidence rates, solving customers' problems and complaints.**

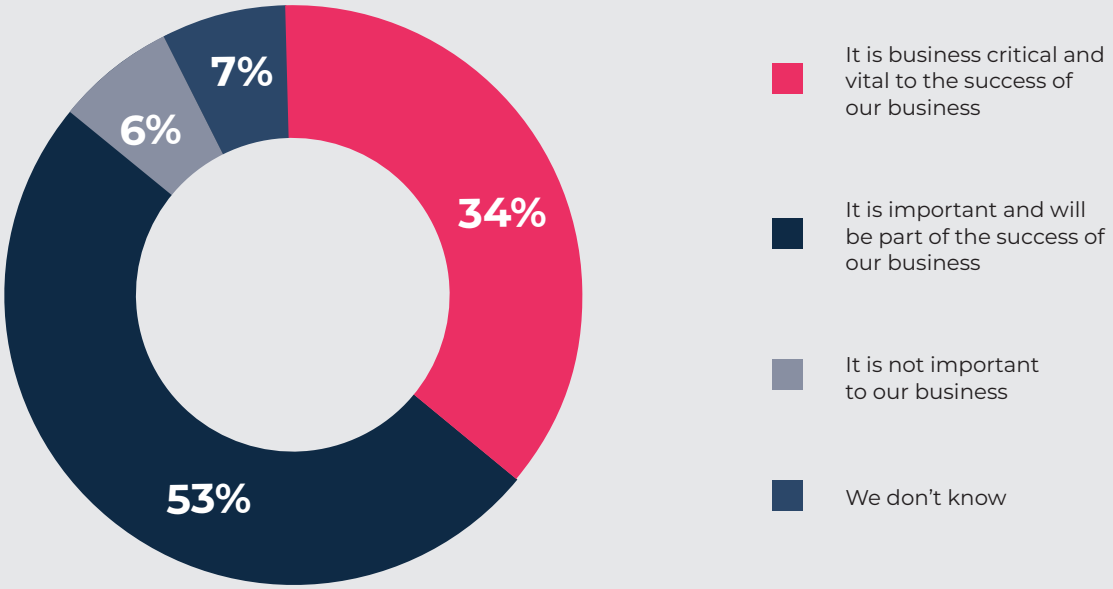
The findings suggest that organisations have different channel challenges but nevertheless all sectors have a high interest in AI technologies and agree that AI provides opportunities to improve customer experience and other business challenges.

#3

9 in 10 business executives want to invest in AI

The research not only confirms the level of interest from organisations in AI technologies. It goes a step further and explores the extent to which business executives are keen to invest in AI technologies that will positively impact their customer experience. The research results are significant.

Do you think your organisation may invest in AI technologies in the UK in the next 2 years?



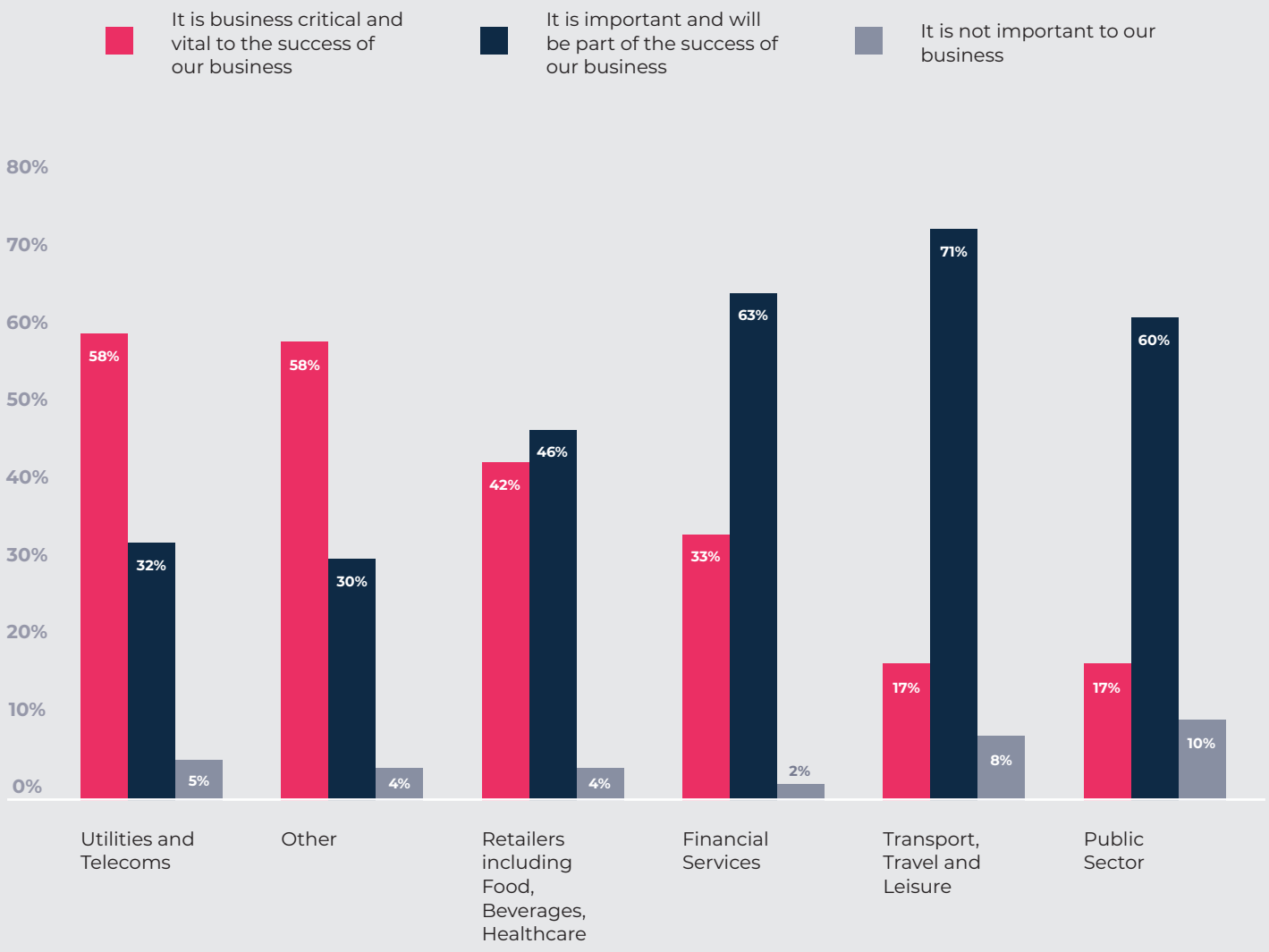
- 87% say AI technologies are vital/important to the success of their business

AI for CX is highly valued by organisations. They are ready to invest in AI in the next 2 years to improve customer interaction and experience.

- 85% think that colleagues believe investing in AI is a good way to improve CX

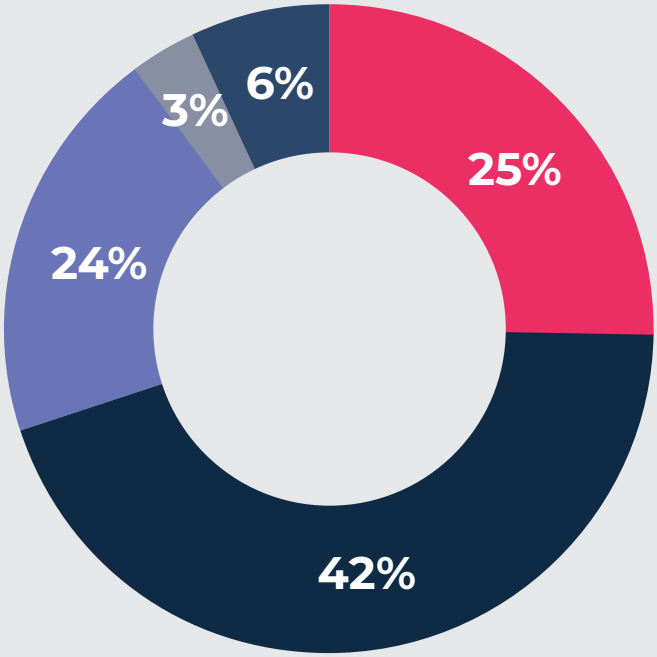
Of those organisations who think it is important to invest, the Utilities, Telecoms, Retailers and Financial Services sectors emphasise how AI investment is business critical and vital to the success of their business. Transport, Travel, Leisure and the Public Sector believe AI investment is important and will play a part in the success of their business in the next 2 years. Only 6% of respondents say it is not important to their business.

Do you think your organisation may invest in AI technologies in the UK in the next 2 years?



While some organisations intend to invest in the latest AI and CX technologies to gain an advantage over their competitors, most say if they were the CEO they would trial new AI and CX technologies to see what helps, whilst others would wait and see how other organisations change their customer experience. Only a very few would do nothing.

If you were CEO, what would you do in terms of investing in AI technologies to impact your customers' experiences with your brand?



- Invest in the latest AI and CX technologies to gain an advantage over competitors
- Trial new AI and CX technologies to see what helps, what doesn't
- Wait and see how other organisations change their customer experience
- Do nothing, we are not interested in the customer experience
- We don't know

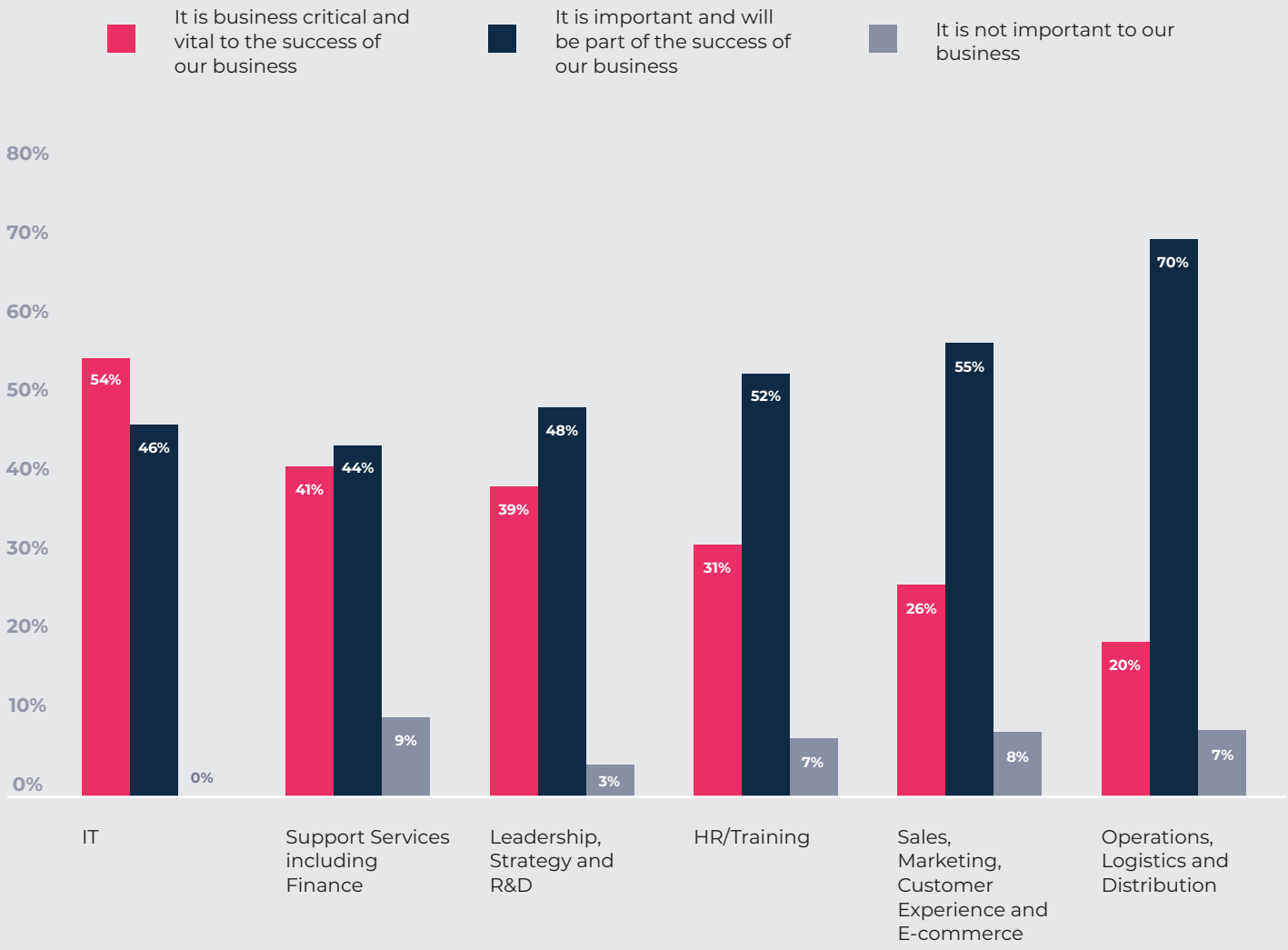
Organisations from different sectors want to invest in AI for CX, saying it is business critical or important. Some will be early adopters and others will experiment or be influenced by their competitors.

#4

IT, Finance, Compliance and Leadership back AI for CX

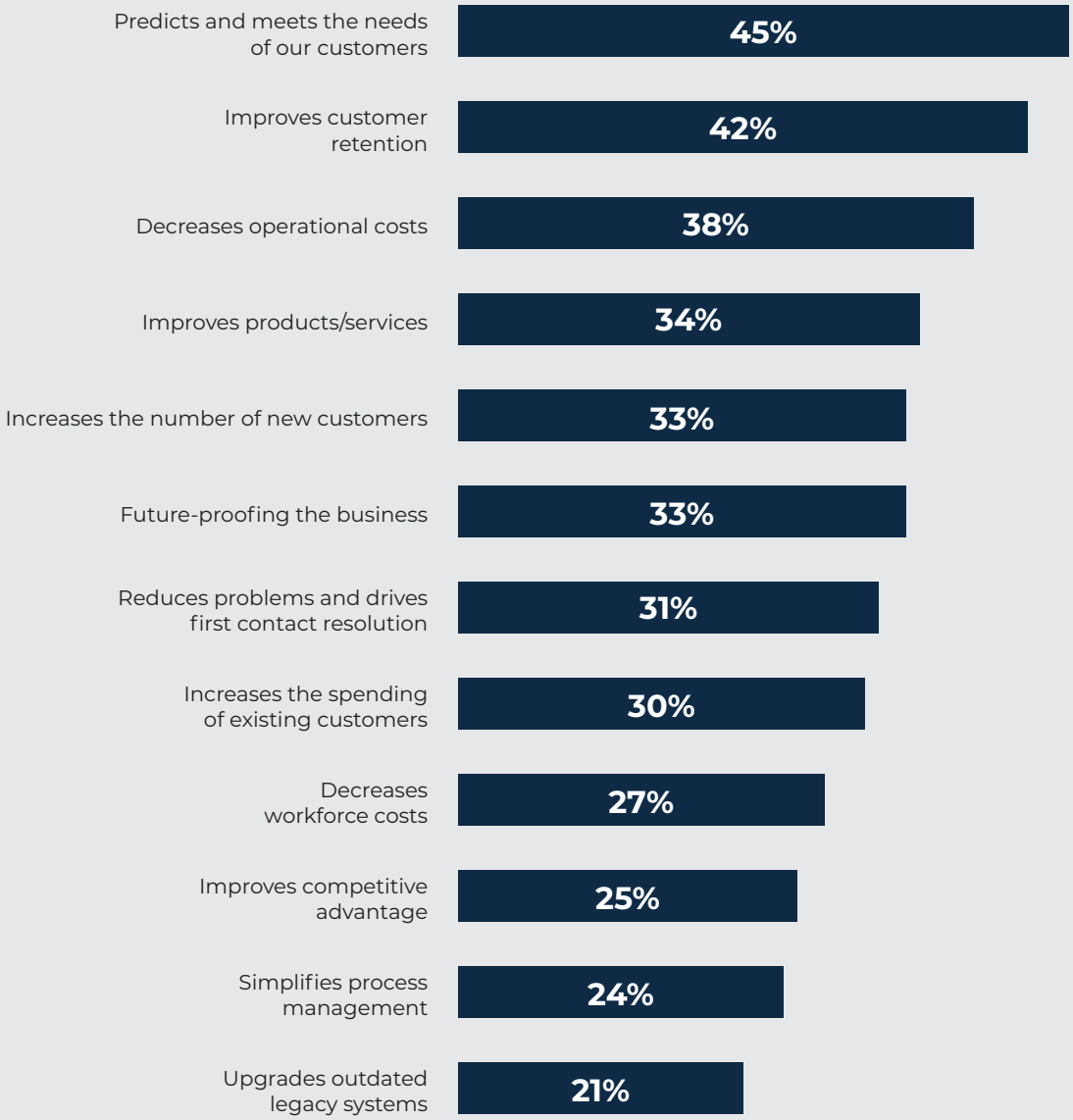
Different functions within organisations think their business may invest in AI. Interestingly IT, Support Services (including Accountancy, Finance and Compliance) followed by Leadership, Strategy and R&D are most likely to think it is business critical and vital to the success of their business.

Do you think your organisation may invest in AI technologies in the UK in the next 2 years? By function.



Executives expect numerous benefits from AI and CX investments. They say that overall the most important business value to their organisation would be predicting and meeting the needs of their customers. Other popular AI benefits include improving customer retention, decreasing operational costs, improving product/services and increasing the number of new customers.

What do you think would be the most important business value to your organisation, when investing in AI to improve customer experiences?



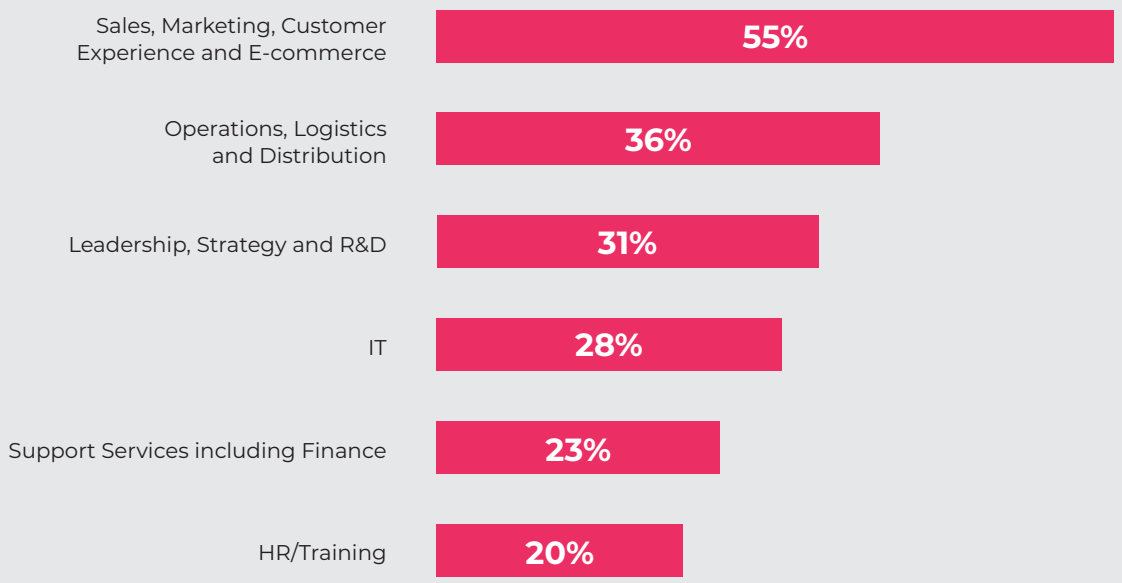
From a business perspective there is a high demand for AI, and it has the backing of the key support functions including IT, Accountancy, Finance, Compliance and Leadership. With 87% of business executives thinking their organisation may invest in AI technologies in the next two years, a priority for most executives will be looking for AI to predict and meet the needs of customers.

#5

Contact centres could improve with AI

In a world where great customer experience is a source of increased loyalty, improved customer retention, increased customer satisfaction and competitive advantage, the quality of customer experience is important to the success of any organisation. It is the parts of any organisation directly tasked with addressing customers' expectations such as Sales, Marketing, Customer Service or E-commerce that show the most interest in AI technology solutions or innovations.

Which areas of your organisation are currently most interested in solutions or innovations based on AI technology adoption? Select all that apply.

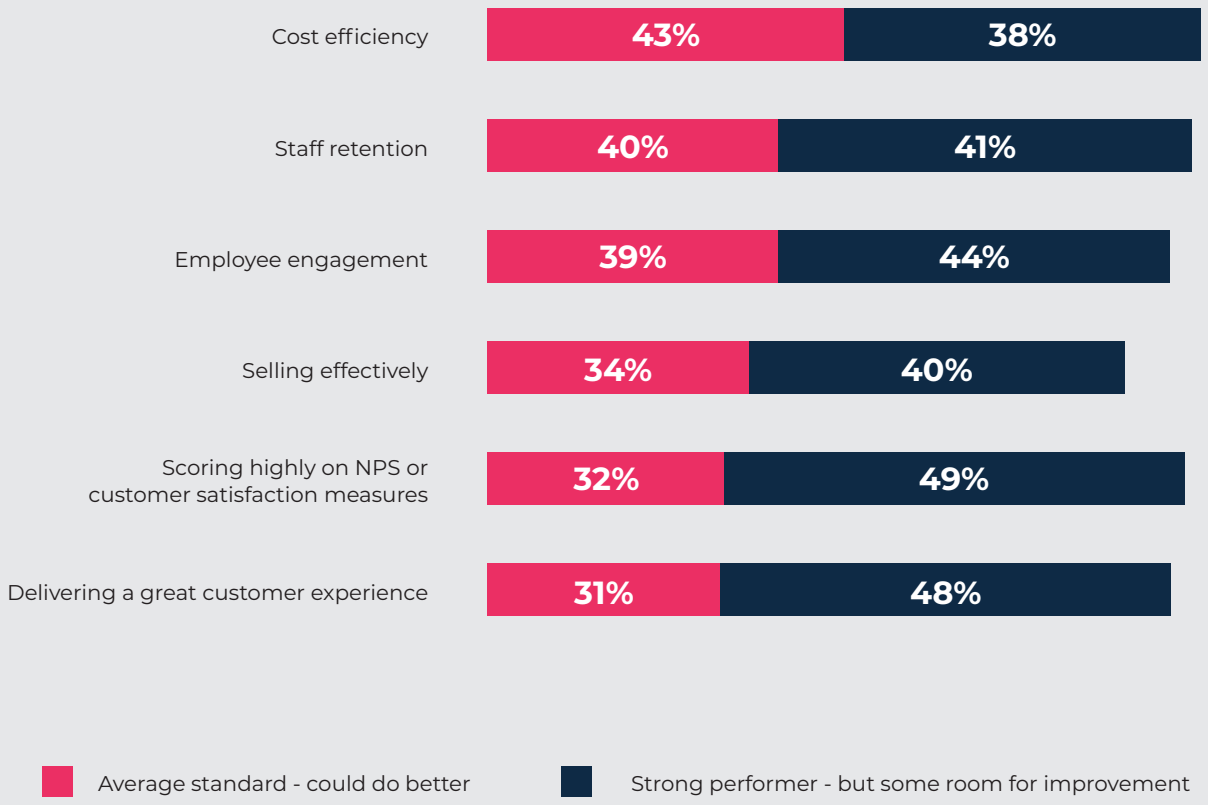


Historically, the intention of contact centres was to provide customers with fast telephone access to information about products and services. Today's contact centres are expected to deliver a quality customer experience using a wide choice of channels including phone, email, social media, livechat, WhatsApp, Facebook Messenger, post, chatbots, video-chat and more. Contact centres are tasked with meeting the diverse needs of prospective and current customers while they are researching, buying, asking queries and complaining about products and services. Some of the prospects and customers interactions are directly influenced by the brand's sales, marketing, customer service and e-commerce information and campaigns.

- 77% of business executives would like to offer better support to customers in their contact centres

Business executives think their contact centre operations and level of service could be improved, and they acknowledge problems particularly with cost efficiency, staff retention and employee engagement.

What do you think about your contact centre operation and the level of service it offers?



For most organisations the contact centre is recognised as a major hub of CX and our research shows how business executives value improvements to their contact centre:

- 65% agree it would be useful if algorithms and AI could support contact centre personnel,
- 64% of Directors see the value of investing in cloud technology for contact centre IT,
- 63% say upgrading to new cloud technologies will improve/has improved their organisations' customer experience,
- 62% agree customer experience would be improved by using AI to predict and meet customers' needs.

The findings in this report show there is work to be done to modernise contact centres. The scale and interest in improving contact centres with AI technologies highlights the high cost of simply doing nothing to address the current position.

Conclusion

The report from Odigo highlights how 4 in 5 business executives lack AI skills and knowledge but nevertheless expect their organisations to invest in AI to improve CX in the near future. The research reveals that the vast majority of respondents want to bridge the disconnect between cost challenges, particularly in the contact centre, and the determination to provide customers with a personalised and positive customer experience.

From a business perspective there is high demand for AI with 9 out of 10 business executives thinking their organisation may invest in AI technologies in the next two years.

AI can be applied to:

- increase customers' positive emotional experience and build customer loyalty,
- meet the needs and reasonable expectations of customers, including personalisation,
- improve customer retention with communication and engagement,
- offer a proactive service by anticipating and meeting customer needs,
- reduce problem incidence rates, solving customers problems and complaints.

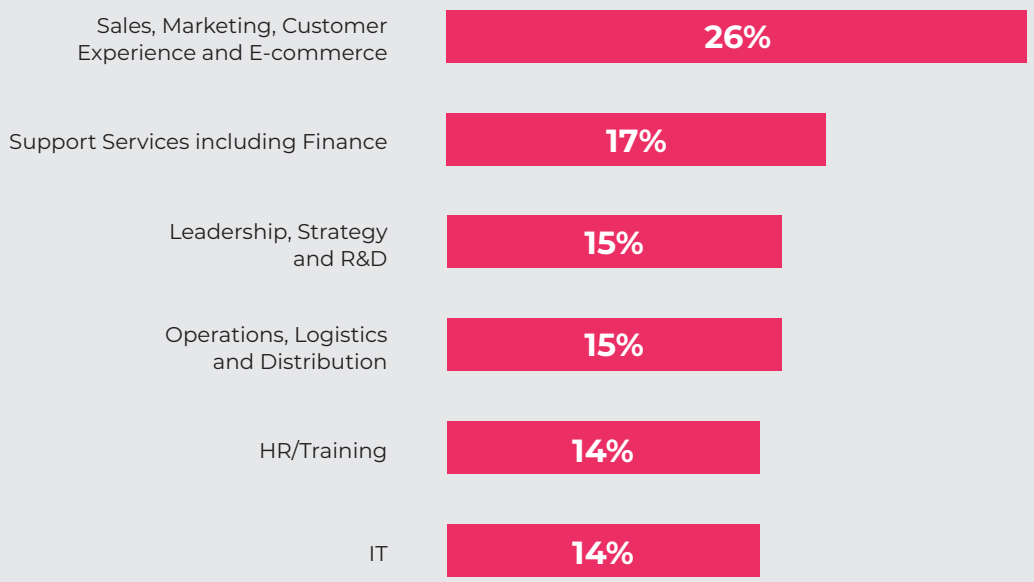
The good news is that our AI consultancy services and technologies are available to support your employees and customers; getting AI right can open up an incredible shop window for your business.

Methodology

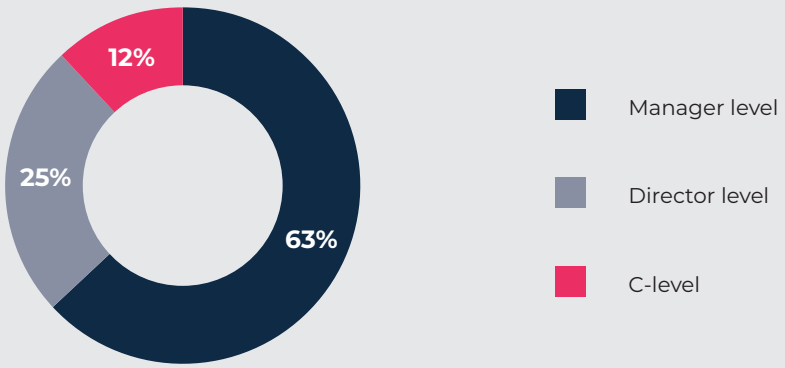
Odigo commissioned Davies Hickman Partners, an independent research consultancy, to complete a UK online survey of 205 business executives in 2020.

The research was completed according to the Market Research Society guidelines. Below are the details of the firmographic sample. The purpose of the survey was to understand changing attitudes to AI for CX within UK business.

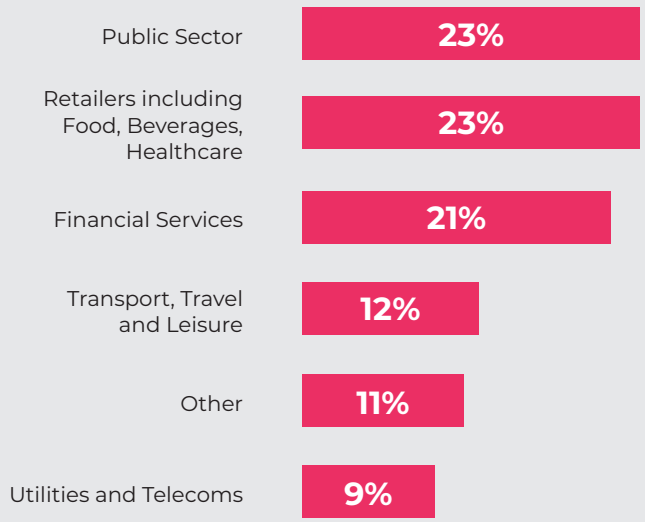
Which of the following best describes your function?



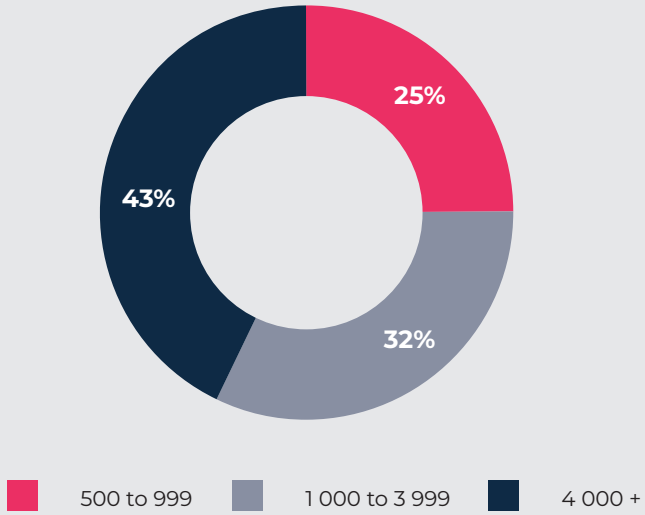
Which of the following best describes your business role or title?



What industry sector does your organisation operate in?



How many employees does your organisation have in the UK?



What is the average annual turnover of your organisation?

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About Davies Hickman

Davies Hickman are independent market research data analysts based in the UK, with expert knowledge in customer experience management and innovation. Their research and consultancy services provide CX strategy services to a range of B2B and B2C brands. Since 2007, they have advised the national and worldwide contact centre industry by sharing their expertise in market trends, CX and customer service standards.

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About Odigo

Odigo, a Capgemini brand formerly known as Prosodie-Capgemini, helps large organisations connect with individuals through world-class, cloud-based contact centre solutions. Its cutting-edge, proprietary technologies enable a seamless, efficient, omnichannel experience for its customers and a satisfying, engaging experience for service agents.

Odigo serves more than 400,000 agents and business users globally. With a 25-year history of industry firsts, Odigo has more than 200 clients around the world.

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