CX trends to watch in 2018

Making things simple for customers is a complex challenge
In the New Year, consumers have better things to do than deal with poor brand experiences. They want simplified interactions, personalized attention, and favor brands that understand and anticipate their needs.

Consumer desire for simplicity isn't new. What is new in 2018 is how they prefer to make things simple via personalization, automation, and artificial intelligence.

Companies will have to work harder than ever this year—understanding data, mapping customer journeys, and harnessing the power of technology—to stand out from the competition.

Here's what to watch for in 2018, and how to embrace customer experience trends all year long.
MEGATRENDS #1

Consumers want more simplified experiences

In the New Year, companies that can not only meet customers’ needs, but also anticipate them – and do so seamlessly – will fare the best, as consumers have less patience for hassles.

- Personal assistants at your service
- AI and chatbots gain momentum
- Personalization perpetuates
- The value of data surges

“It’s the simple things that are so hard to engrain and sustain across all channels in a connected world.”

Kyle Priest
Chief Strategy & Marketing Officer
TTEC
MEGATREND #1

Personal assistants at your service

“Hey Google, good morning.”

“Alexa, what time is my meeting today?”

“Hey Siri, play my workout playlist.”

These phrases will be heard more and more throughout 2018. Personal assistant devices are expected to reach a 10% penetration rate by May 2018, presenting a huge opportunity for brands to reach a broad audience.

Nearly 36 million Americans use a voice-activated assistant at least once a month already. That’s a jump of almost 130% over last year, with further adoption expected. Google estimates more than 50% of searches will happen via voice by 2020.

2018 tip

Consumers buy personal assistants to avoid typing or staring at screens, and to multitask while doing things at home (and soon at work, if Amazon has its way). They conduct searches, run apps, and find information. And they expect a better experience with the devices than without them.

“Voice is going to give rise to a whole host of data and intelligence that we can’t even conceive of today. It will transform the customer experience, which is exciting to think about as a marketer.”

Russell Bangert
Director of Digital Marketing,
DISH

Source: Verto Analytics, eMarketer, Invoca
Chatbots and other artificial intelligence are here to stay. Consumers want more automation and don’t want to have to make a call if there’s a simpler way to resolve issues.

MEGATREND #1
AI and chatbots gain momentum

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More than 45% of consumers prefer chatbots as the primary mode of communication for customer service inquiries.

Chatbot adoption is expected to skyrocket, with 80% of businesses planning to deploy them by 2020.

2018 tip
Just because you can automate something, doesn’t mean you should. There’s still a lot to be said for the empathy and authentic conversations that come with human-to-human interactions. Know when to apply AI and chatbots, and when to offer a human touch.

“Bots are the new apps.”
Satya Nadella, Microsoft CEO

Sources: Ovum, Customer Experience Update, 3C, Gartner
MEGATREND #1

**AI and chatbots gain momentum**

The future potential of AI and chatbots is lucrative and sticky.

**83% of consumers**

(and 90% of millennials) said they would be more loyal to brands that offer a chatbot that enables them to accomplish the task.

**+ 2.3 million jobs**

AI will also fuel positive net job growth, creating 2.3 million jobs while only eliminating 1.8 million jobs, says Gartner.

Sources: Ovum, Customer Experience Update, 3C, Gartner
MEGATREND #1

Personalization perpetuates

This year is all about “me.” Consumers will go with brands they feel know them best as individuals.

“Every customer is human and unique, so the very best possible kind of experience any customer can have, by definition, is one that is personalized to their own unique needs and preferences.”

Don Peppers
Author,

2018 tip

Consumers want personalized attention in ALL brand interactions, from an initial search through to purchase and after-sale customer care. The most successful brands will engage through predictive and proactive attention that customers find valuable, not creepy.

70% of consumers expect companies to anticipate their needs.

51% expect that by 2020 companies will proactively offer relevant suggestions before the consumer even makes contact.

Sources: Janrain, Salesforce
MEGATREND #1

The value of data surges

Sharpen up the virtual pickax. The more data companies can mine, the greater power they will have to provide better experiences.

The total amount of data generated will grow to 44 trillion gigabytes by 2020.

63% of millennial consumers and 58% of GenX say they would share their personal data with companies in exchange for customized offers and discounts.

More than 80% of consumers today expect to see value from their shared data.

2018 tip

There must be a value exchange for consumers to share their information. Make it clear to consumers how their data will be used what benefits they will derive from sharing information. When the General Data Protection Regulation (GDPR) takes effect in Europe in May 2018, the light will shine even brighter on data issues.
MEGATREND #2

Companies must work harder to meet customer needs

Many obstacles stand in the way of firms’ ability to provide simplified experiences.

CX delivery gets lost
Digital drama distracts
More technology, more frustration
Data issues pose CX threat
Fraud prevention needs more focus
Customer journeys get more complicated

“Why is it that in the moments that matter most – we spend the least amount of resources and effort to take care of our customers?”

Blake Morgan
CX Futurist
MEGATREND #2

CX delivery gets lost

Consumers who have had a very good customer experience are 54 percentage points more likely to buy from a company than consumers who have had a very poor customer experience. But getting to a good experience is more than lip service.

Many brands went after easy fixes in 2017 and failed to bring about substantive operational changes. As a result, CX quality stagnated or declined for most industries. Declines in CX performance will result in a net loss of at least one point of growth.

“The distance between customer expectations and the reality on the ground is becoming so great that a slow and gradual transition is no longer possible.”

Forrester
Predictions 2018

2018 tip

The downward trend should be a wake-up call to brands to make CX an “internal disruptive force” in the New Year.

After stalling in 2017, customer experience performance will decline further in about 30% of companies in 2018.

Source: Forrester, Temkin Group
To stay in business in 2018 and beyond, companies need to transform into digital organizations, or they will be disrupted right out of the marketplace. Yet many challenges reveal the many growing pains felt as part of that transformation.

- 20% of CEOs will fail to act on digital transformation and put their firms at risk.
- More than 60% of executives believe they are behind in their digital transformation.
- Only 47% of business technology professionals believe their organization’s leadership is digitally literate.

2018 tip
Don’t give up! Transformation has to happen, even though it will be a bumpy ride. Experiment while also being realistic about how much to change.

“While we are seeing more companies becoming more digitally capable, there is a widening gap between leaders and laggards, with significant implications for those organizations that cannot make the transition to a digital-native organization.”

Shawn Fitzgerald, Research Director, Worldwide Digital Transformation Strategies, IDC
Rarely is technology the solution on its own. Too often, companies look solely to tech to solve customer problems, only to see initiatives reverse customer experience advancements.

**MEGATREND #2**

*More technology, more frustration*

“There is no ‘artificial general intelligence’ that can ‘think and act like a human,’ and there’s no reason to expect it soon.”

Whit Andrews  
Distinguished Analyst, Gartner

71% of consumers say chatbots did not answer their question or help them.  

75% of early AI projects will underwhelm due to operational oversights.

50% of voice assistant users say that their device can’t answer their commands at least 25% of the time.

**2018 tip**

Lead with humanity and the customer point of view on any technology implementation. Create a strategy that meets an objective, then determine the right technology to enable the strategy.
Consumers aren’t impressed with the majority of personalization attempts that fall flat.

- 96% of customers say some personalization is “bad personalization,” such as when brands send too many messages or make assumptions based on single purchases.

- 53% of marketing executives admit they’re “overwhelmed” by their data and agree that “it takes too much time and analysis to find insight.”

- More than 2/3 of UK consumers don’t trust a brand with their data, and 66% worry their personal data security could be compromised by the latest smart devices and IoT gadgets.

2018 tip

Invest in advanced analytics strategies and tools, along with data scientists who can turn numbers into insight. Prioritize data security and be transparent with customers when things don’t go as planned.

“Most companies today don’t own or have access to the data they need to solve their most critical and high value problems.”

Joseph Bradley
Global Vice President
Digital & IoT Advanced Services, Cisco
Consumers’ need for simplicity is driving growth in mobile payments, online e-commerce, and personal data sharing. Along with that comes more vulnerability from nefarious players looking to exploit weaknesses.

“Digital safety is a lightning rod issue impacting every brand that does business online. Companies everywhere are rushing to invest in building safe environments to protect their customers and their brands from digital fraud.”

By 2019, cybercrime will cost businesses over $2 trillion, a four-fold increase from 2015.

63% of all network intrusions and data breaches are due to compromised user credentials.

$150M The average cost of a data breach will exceed $150 million by 2020.

“Digital safety is a lightning rod issue impacting every brand that does business online. Companies everywhere are rushing to invest in building safe environments to protect their customers and their brands from digital fraud.”

Ken Tuchman
Chairman & CEO, TTEC

2018 tip

Consumer trust and safety must take a top spot in corporate strategy to prevent identity theft and other cybercrime. Consider further investment in fraud prevention, content moderation, and other online safety activities.
MEGATREND #2

Customer journeys get more complicated

Journey mapping is enjoying a renaissance. Customer journey maps illustrate consumers’ motivations, thoughts, and actions and they weave through interaction points trying to complete tasks. These are valuable data points for understanding the customer experience.

In 2018 many firms will take the practice a step further with future-state journey mapping, a way of predicting new customer experiences and integrating them into CX efforts. Envisioning future experiences allows brands to create innovative ways to meet customers’ needs.

2018 tip

Map end-to-end journeys, not disparate interactions, to get a complete customer picture. Use maps to make internal operational improvements, prioritize CX activities, and improve both the customers and the employee’s experiences.

86%

of senior-level marketers say it’s critical to create a cohesive customer journey

26%

of companies currently employ future journey maps

36%

of companies have a process to map current customer journeys

Sources: business2community.com, Forrester, Aberdeen Group
What success looks like in 2018

- Satisfied and emotionally engaged customers who believe your brand values their time
- Innovations and new tools that enable digitally native business
- Committed and collaborative employees of all levels united in a customer-first culture

- Data is respected, protected and mined for proactive, predictive, actionable insight
- Higher revenues, lower costs than 2017
About TTEC

TTEC (NASDAQ: TTEC) is a leading global provider of customer experience, engagement, growth and trust and safety solutions delivered through its proprietary end-to-end Humanify™ Customer Engagement as a Service offering. Founded in 1982, the Company helps its clients acquire, retain, and grow profitable customer relationships. Using customer-centric strategy, technology, processes and operations, TTEC partners with business leadership across marketing, sales and customer care to design and deliver a simple, more human customer experience across every interaction channel. TTEC’s 49,500 employees live by a set of customer-focused values that guide relationships with clients, their customers, and each other. To learn more about how TTEC is bringing humanity to the customer experience, visit tt Tec.com.