



Is empathy overrated?

Rethinking empathy's ROI in the contact center in the AI age

What is empathy?

To integrate empathy into customer experience, it's important to understand what empathy is.

The term itself dates back to 1909 when English psychologist Edward Titchener introduced the word "empathy" into the English language, as the translation of the German word "Einfühlung," which meant "feeling into."

But the concept of empathy may go back centuries earlier, with a quote commonly attributed to the philosopher Plato: "The highest form of knowledge is empathy, for it requires us to suspend our egos and live in another's world."

Over the centuries, the word's meaning has evolved – and differed, depending on who's providing the definition.

How humans define empathy

"Empathy is the ability to step outside of your own bubble and into the bubbles of other people."

– Poet and author C. JoyBell C.

"Empathy is simply listening, holding space, withholding judgement, emotionally connecting, and communicating that incredibly healing message of 'You're not alone.'"

– Researcher and author Brené Brown

"Empathy is about finding echoes of another person in yourself."

– Novelist and writer Mohsin Hamid

How AI defines empathy

"Empathy is the ability to understand and share the feelings, thoughts, and experiences of another person. It involves putting yourself in someone else's shoes—imagining what they're going through emotionally or mentally—and responding with care and compassion."

The definition goes on to say: "Empathy plays a crucial role in human relationships, communication, and collaboration – whether in personal life, work, healthcare, education, or customer service."

Source: ChatGPT

Which definition is right? All of them.

Overview

Empathy is prioritized in many contact centers. Associates are trained and coached in how to deliver empathetic customer experiences (CX), especially when customers enter interactions frustrated or dissatisfied. And empathetic CX is often viewed as a key aspect to building loyalty.

Conventional wisdom says customers want associates to acknowledge their frustration, apologize for inconveniences or mistakes, and understand how they're feeling. This has become a cornerstone of modern CX. But how much is needed? Do customers value empathy as much as brands think they do?

These questions take on new relevance in the AI era. As an increasing number of interactions are deflected to automation, is CX becoming less empathetic? And, if so, does it matter?

Prioritizing empathy in CX has grown increasingly common in recent years. In a study among business leaders, **73% named empathy as one of the top three most valuable traits** in a contact center associate. But this may be a misuse of resources for many brands.

Not every interaction (or industry) requires the same level of empathy, especially when there's growing evidence that customers prioritize action over empathy.

This paper will explore how much customers truly value empathy in the contact center, the ways empathy and apologies can help (or hurt) CX, why it's time for many brands to abandon the traditional one-size-fits-all approach to empathy, and how AI figures into the empathy equation.

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Customers value action over empathy

When something goes wrong – an order shipment is delayed, or a product breaks or doesn't meet expectations – associates' first response is often to apologize for the inconvenience. Typically, it's what they've been trained to do: to say, "I'm sorry your order isn't arriving on time," or "I know how frustrating it must be that a product arrived damaged."

This has been conventional wisdom. By acknowledging customers' pain and frustration, brands demonstrate compassion and connect with customers in a way that mends the relationship. This became particularly important during the pandemic, when customers (and people in general) sought kinder, more empathetic interactions.

But more recent research shows these efforts to demonstrate empathy may in fact hurt the customer experience.

When customers contact a brand, their **main objective is to get their issue resolved**. They want action and a solution – everything else is secondary. If apologies and empathy prolong the time it takes to achieve a resolution, it may more harm than good.

An apology that lasts longer than a few seconds has been found to reduce customer satisfaction, according to the Harvard Business Review, citing a study in the *Journal of Marketing Research*. When associates keep apologizing or make small talk in an effort to smooth things over, customers view it as a distraction.

Continuing to apologize beyond the first seven seconds of an interaction will most likely have a negative effect, the research found. After a certain point, apologies only make unhappy customers more frustrated.

When associates project a lot of compassion, customers perceive them to be less competent, the data shows. Customer satisfaction was highest when associates offered several options for solutions, even if the outcome wasn't ideal. This illustrates that **customers favor action over apology**.

A study by economists at Uber, published by the National Bureau of Economic Research, found that repeated apologies are counterproductive and can be worse than no apology at all.

As a result, the research shows, companies may be better off focusing less on associates' personalities and more on their problem-solving abilities.

All this puts associates in a challenging position. They must quickly read customers to determine which ones will benefit from empathy and which ones simply want their problem solved and view empathy as obstacles to reaching that goal.

Historically, data has backed up this approach

89%

of customers are more likely to buy from a brand again after a good customer service experience¹

96%

of consumers think empathy is important in customer support interactions²

52%

of customers feel they're treated with empathy when they contact customer support³

64%

of U.S. consumers feel companies have lost touch with the human element of CX⁴

2x

Customer service professionals trained in empathy are 2x as likely than others to be high performers⁵

¹ https://www.salesforce.com/content/dam/web/en_us/www/documents/research/state-of-service-4th-edition.pdf

² https://www.dixa.com/page/reconnecting-the-customer-experience/#block_619c6ff10fd93

³ https://www.genesys.com/en-gb/company/newsroom/announcements/genesys-survey-finds-only-52-of-consumers-feel-theyre-treated-with-empathy-when-contacting-customer-support?utm_source=chatgpt.com

⁴ <https://www.pwc.com/us/en/advisory-services/publications/consumer-intelligence-series/pwc-consumer-intelligence-series-customer-experience.pdf>

⁵ https://www.salesforce.com/content/dam/web/en_us/www/documents/research/state-of-service-4th-edition.pdf

To understand empathy, understand cultures

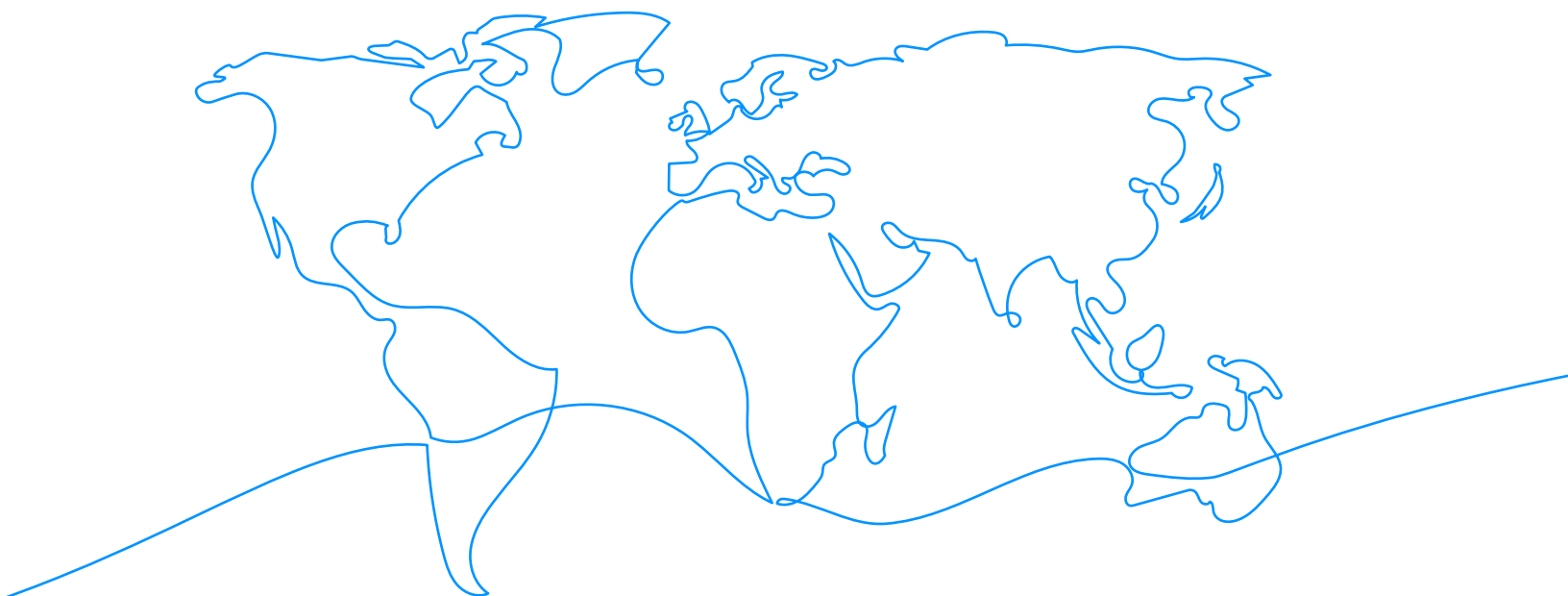
No two customer interactions are exactly alike, and not all need the same infusion of empathy. The type of business, type of inquiry, level of urgency, and even the customer's country of origin can all affect how much (or little) empathy is needed during a conversation.

To truly understand empathy, one must first understand different cultures and the psychology that drives them. Dutch social psychologist Gerard Hendrik Hofstede famously led an effort to outline six cultural dimensions – foundational issues that help society organize itself. One of those dimensions, called individualism versus collectivism, relates to discussions of empathy in CX.

- **Individualistic cultures** value direct communication, personal empowerment, and efficiency. Examples include the United States, the United Kingdom, and Australia. Customers here might still appreciate empathy, but they tend to prioritize a fast, effective resolution. “Just fix my problem quickly” is a guiding sentiment.
- **Collectivist cultures** value maintaining social harmony, warm rapport, and respectfulness. Examples are countries in Asia, Latin America, and the Middle East. It's critical to demonstrate empathy and politeness in these cultures, though how it is expressed (subtly or explicitly) can vary by country.

It's important to consider whether a culture is individualistic or collectivist, but it's not the only factor to keep in mind. It's also important to gauge whether a culture values indirect (high-context) or direct (low-context) communication.

- **Indirect cultures** place more emphasis on nonverbal cues, implied respect, and avoiding confrontation. Examples include Japan and South Korea. Overly explicit apologies or dramatic displays of empathy can be seen as insincere or theatrical, while understated politeness and reading between the lines is more valued.
- **Direct cultures** prefer clarity and directness. Examples include the United States, Germany, and Scandinavian countries. Repeated apologies or “small talk” empathy can be viewed as time-wasting. Customers from these cultures respect action.



TTEC's Empathy Engineering Matrix

Combining the two theories mentioned above – factoring in whether a culture is individualistic or collectivist and whether customers value indirect or direct communications – produces a model brands can use to engineer the optimal amount of empathy for unique customers and intents.

Our Empathy Engineering Matrix categorizes different types of customers and interactions into four quadrants across two axes: (1) direct and indirect and (2) action-first and empathy-first.

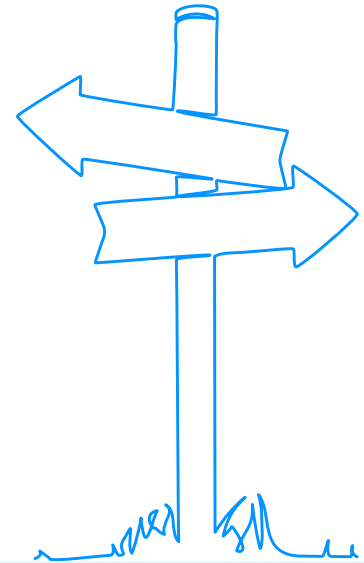
The image below illustrates the matrix in greater detail. First, it's important to know which type of customers fall into each quadrant:



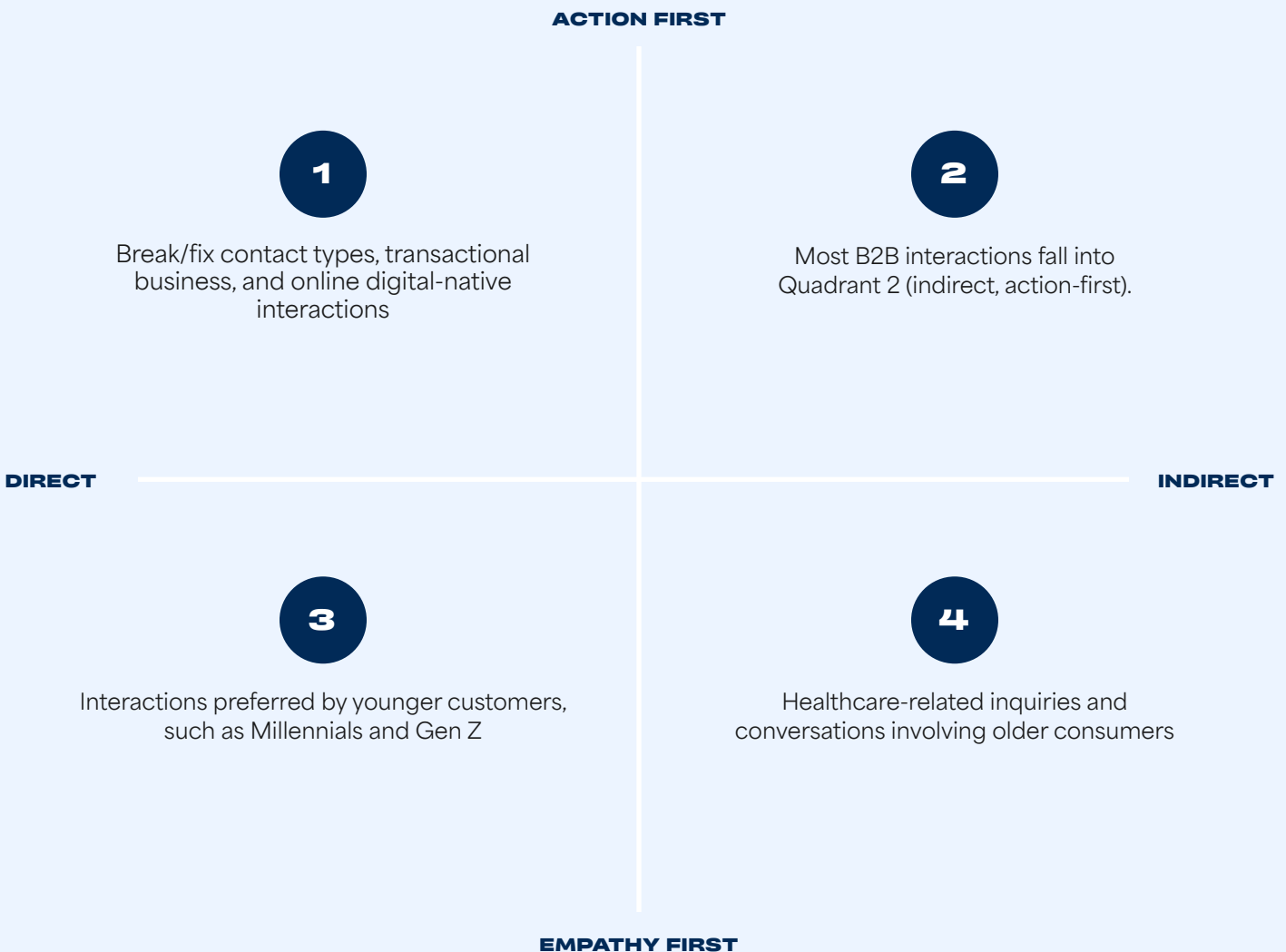
The optimal customer service empathy approach

Customer intents can typically fall into certain quadrants and, in this context, the optimal customer service approach becomes clearer.

Many brands operate under the assumption that Quadrant 4 (indirect, empathy-first) interactions are always the best. But the optimal customer service approach depends on multiple factors. There will always be exceptions but, generally, certain types of interactions and intents fall into certain quadrants.



Examples of interactions and intents



Key considerations for CX success



Culture

Culture is an important lens through which to examine CX and empathy, but it's just one lens. There will always be interactions that, for one reason or another, transcend TTEC's Empathy Engineering Matrix's four quadrants or move from one quadrant to another depending on circumstances.

Industry

Different industries – such as healthcare, for instance – might require different levels of empathy. Or a certain subset of customers may require more (or less) empathy than other parts of a customer base.

Customer journeys

To gauge how much empathy to infuse, and when, it's crucial to understand the customer journey deeply. Journey maps should play an important role, so strategies can be built around the various intents being served by the contact center. Brands that clearly understand their customers and their journeys are better positioned to make informed decisions around empathy.

Associates

Ultimately, associates interact with individuals. While cultural or sector-specific generalities may help inform some CX decision making, it's imperative that associates read the cues provided by the individual customer. Some will prefer a straightforward, "just fix it" approach, while others will desire an emotional connection. The ability to improvise is a critical associate attribute, according to the HBR article.

Authenticity

Whatever level of empathy brands incorporate into their customer experience, it must be balanced with authenticity. Authenticity matters, in every culture and across every industry. Most customers do want some amount of empathy, but only if it feels genuine and is backed by actual results. Empathy that feels false or formulaic rings hollow, and overly scripted apologies and superficial expressions of empathy are counterproductive.

Empathy in the age of agentic AI

AI plays many roles in the strategy and execution around empathy: conversation AI can identify customer intents and the types of interactions happening in the contact center. With this data, brands can know what quadrant of the Empathy Engineering Matrix interactions fall into – with better accuracy than ever before. These insights can help guide strategies for which interactions required more empathy and which ones benefit from an action-first approach.

The proliferation of autonomous AI agents also puts a spotlight on empathy in CX. Simple, menial tasks are increasingly deflected to AI agents that can quickly resolve inquiries without having to involve a human associate. This automation helps brands shorten wait times, improve first contact resolution, make the contact center more efficient, and reduce costs – all while maintaining exceptional CX. Researchers call this “mechanical AI.”

The benefits of AI are undeniable. But can it be empathetic?

Some foundational building blocks of empathy are there. Modern AI systems, especially those using large language models, can use sentiment analysis to interpret a speaker’s emotional state by analyzing word choice, tone, and context. Called “empathic AI,” bots can be programmed with context-aware responses and trained to reply with words or phrases that convey empathy, such as, “I’m really sorry you’re experiencing this.”

Furthermore, AI doesn’t have “off” days or the type of personal biases human associates do. It can offer a consistent response, 24 hours a day and seven days a week.

AI might be better at empathy than humans, for several reasons:

- It has unlimited patience and politeness. It doesn’t tire, become annoyed, or exhibit frustration the way humans can. This can create a sense of perceived empathy, especially since customers often complain about dismissive or rushed human associates.
- It can draw on large amounts of contextual data instantly, including purchase history, past interactions, and emotional tone. With this information, AI can tailor responses to the individual, which feels more empathetic. A human may not recall or have easy access to all that data.
- With advanced sentiment analysis, AI can adjust its tone and approach in real time, based on emotional cues or a sudden change in sentiment. By contrast, humans can miss or misread cues, especially when under stress.
- AI can avoid some of the biases or judgments that humans may unknowingly bring. A person may discount a certain emotional reaction by assuming the customer is “overreacting,” while an AI agent is programmed to respond empathetically regardless.

But for all the potential it holds, AI has limitations when it comes to empathy – first and foremost, its lack of emotional depth. It doesn’t actually feel emotions and, though it might simulate empathy through carefully crafted responses, some customers may sense it’s formulaic or feel that the experience seems “off.”

And while AI lacks some preconceptions human may bring, it doesn’t eliminate bias. AI is only as smart as the data feeding it and bias often creeps in along the way. Bias occurs when incomplete or skewed data is used to train AI models or applications.

Bias can enter the equation at various points of the data process: collection, processing, and analysis. When biased data is used to train AI, it skews the way AI “thinks” and the results it produces.

AI also lacks nuance. Human empathy can be extremely nuanced, especially when it comes to grief, trauma, or complex personal crises. AI's responses might feel superficial and hurt relationships if it can't understand the deeper context of interactions.

There also are ethical concerns brands must consider when using AI to deliver empathy. If AI appears too empathetic or manipulative, ethical questions can arise. Customers could be deceived into thinking they're interacting with a human who truly cares, for example, when they are not.

Given all its potential benefits and pitfalls, is it reasonable to think AI can be better at empathy than human associates? The answer is complicated.

In terms of consistent perceived empathy, AI has an advantage over people. AI can probably outperform an average or subpar human associate in purely perceptual empathy: using empathetic language and tone consistently, never losing its temper, and drawing on vast amounts of data for personalization.

But when it comes to forming a genuine connection, AI's potential is more debatable. In some cases, customers crave not just the words of empathy but the knowledge that another person truly understands and "feels for them." In other instances, when an interaction is strictly about resolving a problem and feeling heard, many customers might not care as much (or at all) about authenticity if AI can provide a comforting, fast, and helpful response.

Where AI meets empathy

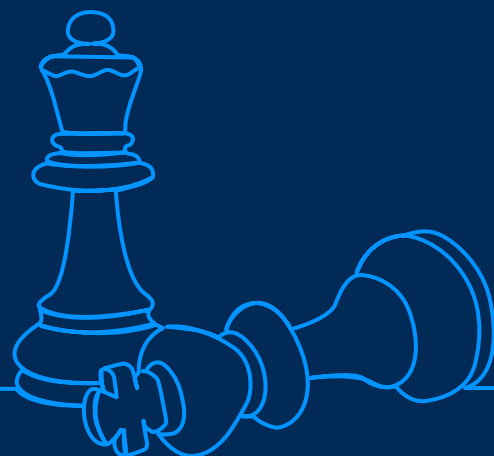


Empathy in CX: A strategic choice for every brand

There are numerous factors that brands must consider when determining how important empathy is to CX and what role AI can reasonably play.

The notion that empathy is essential in all interactions is outdated. Most modern customers prefer action over empathy, and brands that continue to invest time and resources into delivering empathetic experiences may be severely missing the mark.

For interactions that do require empathy, it's time for brands to explore where AI can help. The human side of a contact center is among its largest expenses so, as companies face increasing efficiency and cost pressures, they should turn to AI where it makes sense. Don't discount AI's potential to be empathetic.



Ready to reimagine empathy in CX?

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ABOUT TTEC

TTEC Holdings, Inc. (NASDAQ:TTEC) is a leading global CX (customer experience) technology and services innovator for AI-enabled CX with solutions from TTEC Engage and TTEC Digital. The Company delivers leading CX technology and operational CX orchestration at scale through its proprietary cloud-based CXaaS (Customer Experience as a Service) platform. Serving iconic and disruptive brands, TTEC's outcome-based solutions span the entire enterprise, touch every virtual interaction channel, and improve each step of the customer journey. Leveraging next gen digital and cognitive technology, the Company's Digital business designs, builds, and operates omnichannel contact center technology, conversational messaging, CRM, automation (AI / ML and RPA), and analytics solutions. The Company's Engage business delivers digital customer engagement, customer acquisition and growth, content moderation, fraud prevention, and data annotation solutions. Founded in 1982, the Company's singular obsession with CX excellence has earned it leading client NPS scores across the globe. The Company's employees operate on six continents and bring technology and humanity together to deliver happy customers and differentiated business results.