

A woman with long dark hair is smiling and looking at her smartphone. She is wearing a dark green button-down shirt. The background is a bright, sunlit outdoor setting with a stone wall and a window with a grid pattern. The lighting is warm and golden, suggesting late afternoon or early morning.

CX Trends

The 2019 Edition

8 trends for navigating
the next stage of customer
experience disruption

tttec™

Shaping the future of CX in 2019

As we welcome another New Year, the race to deliver exceptional customer experiences is as competitive as ever. Customers are challenging brands to deliver value and convenience that's tailored to their specific needs.

Meanwhile, CX technology trends are expanding. Omnichannel services are evolving to include more options, smart speakers are gaining wider adoption, and self-service is being redefined.

These are consequential times for executive leaders seeking to position their organisations to compete and thrive in a disruptive market.

So, get ready as we outline the trends to watch in 2019 and beyond.

PART 1

Great consumer expectations

Customers still want the same things: Simplicity, convenience, and personalisation—but the way in which these expectations are being met grows increasingly sophisticated.



TREND 1

Doing omnichannel the customer's way



TREND 2

Voice assistants are just getting started



TREND 3

Supporting an IoT world



TREND 4

Balancing humanity and automation

TREND #1

Doing omnichannel the customer's way

A few years ago, tying together various channels to create one unified customer experience was considered disruptive. Today, it's a differentiator. Offering omnichannel services that are tailored to customers' specific needs and preferences give a brand a competitive advantage.

Leading brands are:

Enabling real-time data synchronisation across channels.

A banking customer, for example, could begin filling out an application online and complete it at a bank branch, over the phone, or another channel without starting from the beginning.

Facilitating various methods of fulfillment, such as buy-online-pickup-in-store (BOPIS), buy-online-return-in-store (BORIS) and buy-online-ship-to-store (BOSS).

Investing in the infrastructure and logistics to allow buyers and consumers to track shipments at any point in the supply chain, anytime, anywhere.

2019 **Tip**

Design omnichannel experiences around the needs and expectations of your target customers first to maximise the impact.

“An omnichannel experience doesn't mean trying to be everywhere with the same content all the time. It means being relevant where your customer says relevance exists.”

Liz Miller, SVP of marketing at the CMO Council



↑ 9%

Customers who use four or more channels spend 9% more than single-channel shoppers

Source: Harvard Business Review

TREND #2

Voice assistants are just getting started

As more people welcome voice assistants into their home and office, brands need to think about how they'll connect with consumers in a way that's authentic but not intrusive.

Giving users the option of personalising voice assistants —enabling the assistant to recommend in-network doctors or nearby clinics, for example—will transition assistants from being just a device to an integral tool in people's lives.

At the same time, the security of emerging voice assistants and active listening technologies are under increasing scrutiny and may face restrictions that could impede further development.

Despite the growth of the connected market, reports show that 41 percent of Australians are more concerned about cybersecurity than last year and 61 percent are concerned about their private information being exposed online, up five percent from the previous year.

2019 Tip

Demonstrate to customers that you're prioritising data privacy as part of the value delivered through voice interactions.

"Now is the time for companies to set the record straight about what they actually listen to so customers can know who to trust."

Blake Morgan, customer experience futurist and author

At the end of June 2018, it is estimated that **1.5 million** Australian households owned a smart speaker. It was less than **10,000** in 2016.

That figure should hit 3 million by 2022

Source: Telsyte

TREND #3

Supporting an IoT world

In an increasingly IoT world, artificially intelligent devices are beginning to act on behalf of human customers.

What happens when the customer is a machine? From cars and refrigerators to smart speakers, more and more devices are acting on behalf of humans.

Google is allowing certain Pixel phones to make Duplex AI voice calls, such as to book a table at a restaurant. HP's "Instant Ink" service automatically orders ink when it senses a shortage, and LG has created appliances that can communicate with each other.

In fact, 85% of consumers say they already use at least one of six devices or services (e.g. navigation apps, music streaming, virtual assistant) that feature artificial intelligence, according to a Gallup poll.

2019 **Tip**

Think about how best to interact with devices and items that complete tasks on behalf of human customers.

“Great customer service is not just about cutting costs or making operations more efficient. Instead, it’s a systematic reinvention of established technology, data, and operations—leveraging automation, data, and agents together to exploit each of their unique strengths.”

Kate Leggett, Forrester principal analyst

5%

By 2020, 5% of all digital commerce transactions will come from a smart machine

Source: Gartner

TREND #4

Balancing humanity and automation

Sensors, cameras, and algorithms are altering customer interactions with human staff.

More companies are using digital technology to automate tasks previously handled by humans and speed up transactions.

For example, Amazon has opened a handful of cashierless stores and is considering opening as many as 3,000 such stores by 2021, reports Bloomberg. Insurance companies are deploying drones for damage inspections and fraud monitoring.

Expect more firms to incorporate AI-powered automation into interactions with customers.

2019 **Tip**

Frictionless service remains a key differentiator. As traditional roles get automated, consider whether customers would value speaking with associates in other roles, such as nutrition experts or insurance specialists for nuanced situations.

“It [a cashierless experience] certainly sets a tone for the race to provide efficient service, in what could be a game changer.”

Keith Jelinek, managing director of Berkeley Research Group's retail and consumer practice

\$127 billion

Drones could replace \$127 billion worth of human labour and services across several industries over the next few years.

Source: PwC

PART 2

What's expected of businesses

Along with customer-facing trends, here are 4 back-office trends that are shaping future customer experiences.



Trend 1
CX growing pains



Trend 2
CEOs take the digital transformation reins



Trend 3
The skills gap reaches critical levels



Trend 4
Greater AI integration

TREND #5

CX growing pains

Quick CX wins are beneficial in the short-term but a quick-win culture is lethal.

Quick wins like offering free snacks in a store or speeding up response rates online only go so far. To stay ahead of the competition, truly customer-centric organisations must commit to a long-term transformation. Corporate patience and support is essential in keeping customer experience initiatives on track for the on-going journey.

2019 **Tip**

Customer experience is not a department, it has to be a way of thinking. Leaders can promote this notion with accountability systems that tie rewards and compensation to the customer experience.



“As leaders gain a better understanding of what it means to actually embed customer experience as an operating model, more are realising their companies aren’t there yet.”

Janet LeBlanc, president of Janet LeBlanc + Associates

13%

In 2018, only 13% of leaders described their organisation as ‘truly customer-centric’—down from 16% in 2014.

Source: Janet LeBlanc + Associates

TREND #6

CEOs take the CX disruption reins

At maturing companies, CEOs are increasingly taking responsibility for CX digital initiatives.

In past years, the chief information officer or chief digital officer typically led the charge on digital transformation initiatives. But as CX disruption becomes a top business priority, CEOs are increasingly taking the reins.

And most CEOs that are focused on disrupting their businesses are intent on making cultural and structural changes.

In fact, 42% of CEOs whose companies have a digital initiative underway indicated culture changes are necessary versus 37% of CEOs without a digital initiative, reported Gartner.

2019

Tip

Focusing on technology alone—even when it is flawlessly designed—can obscure the other organisational steps necessary for delivering value.

“The most important types of cultural change that CEOs intend to make include making the culture more proactive, collaborative, innovative, empowered, and customer-centric.”

Mark Raskino, vice president and Gartner fellow

23%

of early-stage companies named IT as the leader of digitalisation efforts, versus 16% at mature companies.

Source: MIT Sloan Management Review

TREND #7

The skills gap reaches critical levels

Ensuring employees have the necessary talent, knowledge, and mindset to drive transformation is key to building a disruptive business.

A lack of available or appropriately-skilled personnel are one of the largest obstacles to digital transformation, according to industry reports.

Some of the fastest growing roles are data scientists and advanced analytics analysts, with demand expected to spike 28% by 2020, estimates IBM.

In light of the skills gap, expect to see more companies investing in reskilling or retraining programs.

2019 **Tip**

Hire candidates with the mindset and drive for continuous learning.

“It’s not just about the amount—it’s also the quality of the labour supply that matters. And companies are taking a harder look at what skills their employees will need in the near future.”

Brad Bell, associate professor, Cornell University.

375 million

Globally, 375 million people may need to learn new skills for new occupational categories by 2030.

Source: McKinsey Global Institute

TREND #8

Greater AI integration

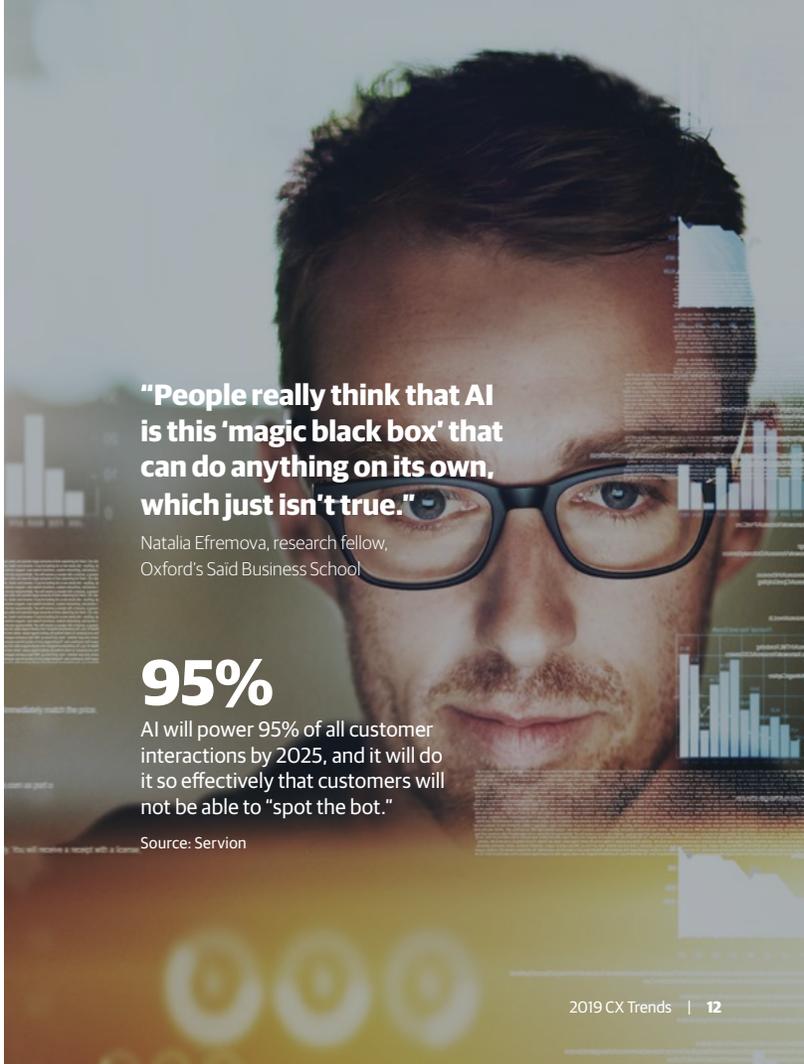
Growing demand for ubiquitous customer support makes AI-powered assistance essential.

Customers expect support services to be available anytime, anywhere, and from multiple channels. Indeed, 46% of global contact centre decision makers project their contact centres will grow by 5% to 10% in the next year, according to Forrester.

To keep up with demand, companies are doubling down on automation, AI, and knowledge tools to help associates increase efficiencies, reduce costs, and improve the customer experience.

2019 **Tip**

Communicate to employees the impact of AI in their business and how expectations, required skill sets, and experiences will evolve.



“People really think that AI is this ‘magic black box’ that can do anything on its own, which just isn’t true.”

Natalia Efremova, research fellow,
Oxford’s Said Business School

95%

AI will power 95% of all customer interactions by 2025, and it will do it so effectively that customers will not be able to “spot the bot.”

Source: Servion

Stay ahead of the trends

Simplicity.

Customers still demand simplicity, personalisation, and convenience, so execution and delivery methods must grow with them.

Balance.

Customer strategies that deliver short-term, marginal gains need to be balanced with long-term strategies.

Realistic.

Realistic expectations about the duration and cost of a customer experience transformation are necessary for meaningful results.

Priority.

To stay competitive, make the customer experience a strategic priority at the corporate level and hold leaders accountable.

Approach.

Truly disruptive leaders approach service and experience as a revenue driver for their business and re-invest the cost savings into CX initiatives.

About TTEC:

TTEC (NASDAQ: TTEC) a leading global technology and services provider focused exclusively on the design, implementation and delivery of transformative customer experience for many of the world's most iconic and disruptive brands. The Company delivers outcome-based customer engagement solutions through TTEC Digital, its digital consultancy that designs and builds human centric, tech-enabled, insight-driven customer experience solutions for clients and TTEC Engage, its delivery centre of excellence, that operates customer acquisition, care, growth and digital trust and safety services. Founded in 1982, the Company's 56,000 employees operate on six continents across the globe and 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 www.ttec.com/asiapacific

