

MARKET STUDY

Modernizing Service Experiences With AI & Digital



MODERNIZING SERVICE EXPERIENCES WITH AI & DIGITAL

In theory, artificial intelligence and digital engagement initiatives represent the solutions to long-standing customer contact woes. They promise the ability to make journeys more seamless, data analysis more meaningful, agents more productive, and interactions more relevant. They represent an opportunity to scale and modernize service experiences at the very same time.

In practice, AI and digital investments have not only failed to live up to the hype but *weakened* customer journeys and agent workflows. CCW Digital's 2022 Consumer Preferences Survey painted a sobering picture of self-service technology, digital interactions, and agent competency.

The good news is that companies *are* beginning to make some progress. They are beginning to see returns on their AI investments, and they are adopting best practices for transforming digital channels from “deflection options” into “value adds.”

The journey is far from over, however. To truly reap the rewards of this cutting-edge technology, many companies still have to reconsider their use cases, revisit their solutions, and revise their processes and strategies.

Where do you fall in comparison to your business peers? What steps should you be taking to modernize your service experiences with AI and digital? How can you leverage technology to make interactions more frictionless *and* more personalized? How can you harness solutions to elevate agent experiences in such a challenging labor climate?

Driven by exclusive CCW Digital research, this Market Study has the answers.

TABLE OF CONTENTS

2	Modernizing Service Experiences With AI & Digital
4	Methodology & Demographics
4	About the Author
5	Key Findings
6	A Promising State of AI
7	A Chatbot Reality Check
9	Enhancing Agent Experiences In The “New Normal”
11	Looking to 2030: Where Will AI Make Its Greatest Impact?
13	Factors Driving the Digital Transformation
15	Post-Pandemic Digital Wins
17	Increasing Trust in Digital Channels
19	Enhancing Digital Experiences
22	What “Personalization” Really Means In Today’s CX Landscape
28	The 4 Biggest AI Mistakes & How To Fix Them
32	Making Experiences More Intelligent Transforming Customer & Agent Search With AI
37	Transitioning to Digital-First CX
40	Unify, Enhance, Understand, Evolve - 4 Keys To Modernizing Service Experiences
43	How a Digital Contact Center drives savings and ROI
48	Appendix
49	2022 Editorial Calendar
50	Meet the Team

METHODOLOGY & DEMOGRAPHICS

To capture data for the Modernizing Service Experiences With AI & Digital Market Study, CCW Digital conducted a survey in July 2022. The survey targeted leaders responsible for customer experience, service design, contact center, operations, information technology, and marketing in organizations of all sizes and major industries.

Example respondent job titles included chief executive officer, UX designer, director of customer service, associate vice president of UX and design, head of product excellence, director of corporate IT, head of data strategy, chief marketing officer, senior vice president and operations officer, vice president of customer relations, senior vice president of experiential operations, vice president of customer experience, chief operating officer, head of contact center, and vice president of retail.

ABOUT THE AUTHOR



Brian Cantor
Principal Analyst, CCW Digital
Customer Management Practice

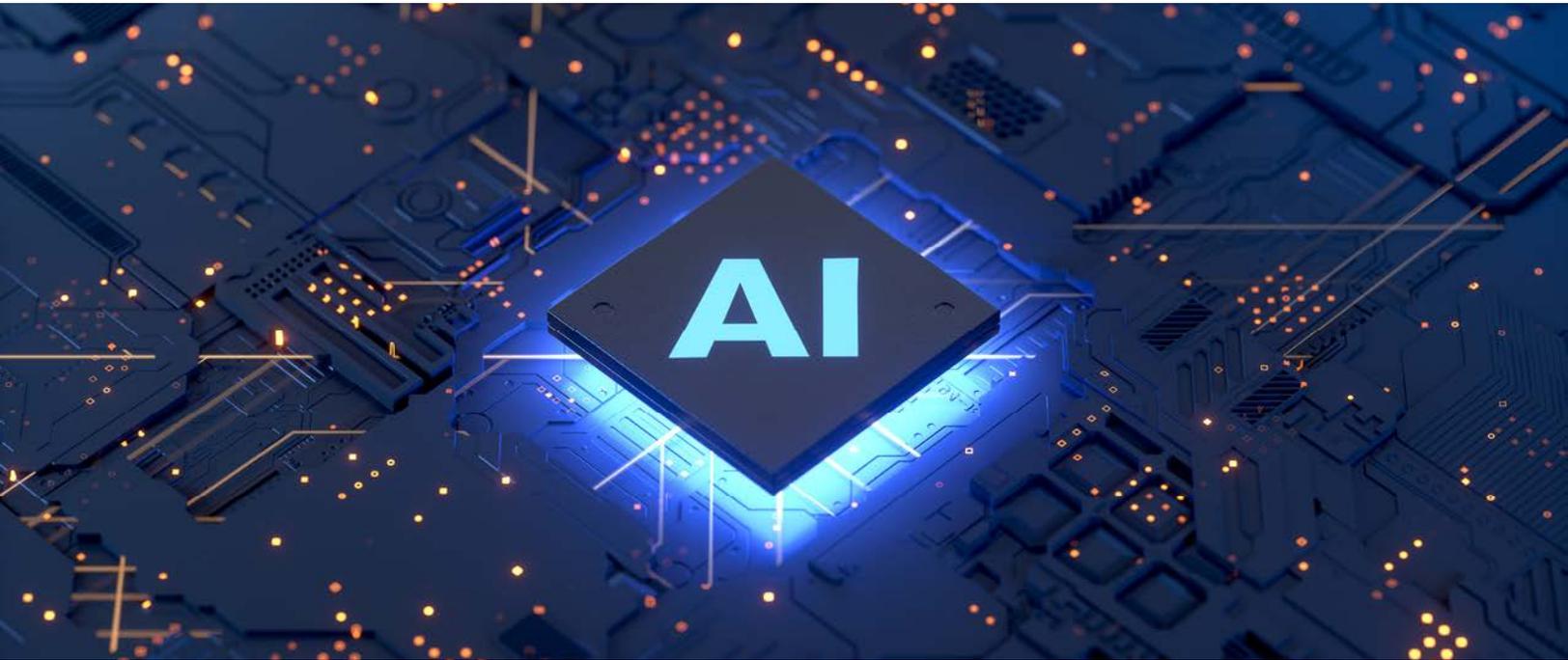


Brian Cantor is the principal analyst and director for CCW Digital, the global online community and research hub for customer contact professionals. In his role, Brian leads all customer experience, contact center, technology, and employee engagement research initiatives for CCW. CCW Digital's articles, special reports, commentaries, infographics, executive interviews, webinars, and online events reach a community of over 150,000.

A passionate advocate for customer centricity, Brian regularly speaks on major CX conference agendas. He also advises organizations on customer experience and business development strategies.

KEY FINDINGS

- 1 The tides appear to be turning in a promising direction. After many years of enduring disappointment, more than 54% businesses now feel that AI is living up to the hype.
- 2 Despite the unprecedented optimism surrounding AI, specific initiatives are still falling flat. The overwhelming majority of customers, for example, do not trust chatbots to solve their problems.
- 3 Leading chatbot challenges include their limited use cases, unimpressive speed, lack of customized resolutions, and lack of conversational capabilities.
- 4 The majority of companies believe that using AI to reduce simple tasks, improve analytics and quality monitoring, and streamline access to knowledge are crucial for succeeding in today's difficult labor market.
- 5 By 2030, companies believe AI will have made its greatest marks on process automation, intelligent routing, self-service, and analytics.
- 6 "Long wait times" are the #1 pain point companies hope to remedy with digital engagement.
- 7 Other digital transformation drivers include a lack of contact options, an inability to provide 24/7/365 support, and insufficient proactive outreach.
- 8 Despite all the hype about COVID-19 accelerating the digital transformation, there has been a dearth of widespread "digital wins" over the past two years.
- 9 The closest to a major win was increased use of automation within digital channels; 47% of companies feel they have taken this crucial step.
- 10 To increase trust in digital channels, companies aim to improve resolution speed, make digital engagement easier, increase personalization, and improve data security and fraud prevention.
- 11 Only 11% of companies say they very frequently take advantage of digital-only features, such as geo-targeting, co-browsing, simple authentication, and augmented reality, to enhance digital experiences.



A PROMISING STATE OF AI

Over the past several years, there has been no shortage of hype about the potential for AI technology to transform service experiences.

There has, however, been a dearth of success stories. CCW Digital research into the topic has been consistently sobering, with few brands celebrating meaningful returns from their AI investments. Few customers, meanwhile, trust AI-driven experiences the way they do those led by agents.

The landscape did not magically shift in 2022. Agent workflow remains more cumbersome and frustrated than it should be in an era of intelligent automation. Satisfaction levels for chatbots and intelligent IVRs far trail those for traditional phone and chat conversations.

The degree of optimism, on the other hand, has grown considerably. Based on their recent experiences, more and more brands do believe the AI transformation is underway. They are beginning to see exciting results.

More than 54% of companies, in fact, believe AI is “living up to the hype” regarding its transformative power.

On the one hand, customer contact leaders should approach this finding with caution. It is simply impossible to argue that AI has dramatically elevated most customer and agent experiences, which means the typical company should not be *celebrating* the state of AI. The typical company should not be declaring that their AI mission has been accomplished.

On the other hand, the growing optimism about the state of AI provides two irrefutably positive takeaways. First, it confirms that companies *are* beginning to adhere to best practices for their AI solutions. They are beginning to think more critically about what they automate and how to adapt operations amid that automation, which is leading to better results.

It also provides encouragement that AI can be a game-changer for the contact center, which should lead to more investment, more commitment, and more innovation from technology users, buyers, and sellers alike. This heightens the probability that brands will get to a place where customers are benefiting from more convenient and personalized experiences, and employees are thriving in an environment that lets them focus on *connecting* with customers rather than performing rote tasks.

Thus far, do you feel AI is living up to the hype when it comes to transforming the customer experience and/or contact center operation?



■ 54.39% Yes

■ 45.61% No



A CHATBOT REALITY CHECK

That brands are increasingly optimistic about the state of AI does not mean all implementations have been going swimmingly. The reality is that chatbot initiatives, in particular, continue to underwhelm customers.

Whereas three-quarters of customers are confident that they can resolve issues in traditional, agent-led phone calls, only 15% have the same trust in chatbots. This staggering gap comes despite customers saying they are more willing than ever to self-serve – and more frustrated than ever about waiting on hold to speak to live agents.

What is causing chatbot experiences to underwhelm? Why do so many customers still feel like they require live agent assistance for their support issues?

According to 61% of brands, the fact that chatbots are only available for “limited issues” is reducing customers’ interest in engaging.

Other leading deterrents include concerns over speed (57%), the lack of customized resolutions (54%), the lack of conversational capabilities (48%), and poor past experiences with self-service (47%).

Individually, some of the statistics may seem troubling and confusing. Bots are supposed to be a better option for basic transactions than high-stakes conversations (“self-service for simple issues, agents for complex ones” after all), so why is that very limitation the thing that is driving customers away?

By evaluating these top challenges collectively, one receives an answer.

When customers choose to engage in a support conversation, they expect a fast and contextually relevant resolution. If they only know bots as the tool for basic transactions, and they (accurately or not) don’t identify their issue as simple or generic, they may not feel self-service is appropriate. Worse, their past experience dealing with an impersonal bot or frustrating IVR tool will give them *even more confidence* that they would be wasting time trying to self-serve. As ironic as it may be, the fastest option would be to call a live agent – and deal with all the hold times and repetitive questions that come with that process.

Customers are more willing than ever to use AI self-service platforms like chatbots, but satisfaction scores for these platforms are low — and most still expect access to a live agent. In your experience, where is self-service going wrong?

Customer education - they don't realize all today's chatbots/IVRs can do, so still expect to talk to a human



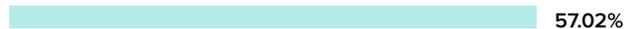
Customer awareness - customers aren't aware of how to find or use self-service tools



Customer history - chatbots and IVRs have historically been bad, so customers don't trust these options



Speed - customers feel they can get what they want, faster, by speaking to a live person



Limited options - self-service is only available for select issues, limiting customers' interest in engaging



No customization - self-service tools can only follow "policy," so customers seek agent support to get a more personalized resolution



No resolution - self-service only collects information, doesn't solve problems, so customers go directly to agents



Wasted time - customers know they will have to repeat everything they said to the IVR or chatbot, so they go directly to agents



No conversation - customers can't speak naturally and have to navigate the company's default options and menus, which can be frustrating



No recognition - bot or IVR doesn't sufficiently recognize customer, so experience feels impersonal



The answer to combating this challenge is not to pretend bots are suddenly going to understand and solve every single problem. Rather, it is to build confidence that bots *can* be more relevant and supportive than customers once thought.

Bots with conversational AI capabilities go a long way in cultivating this trust. When customers feel they can explain their problem in their own words, as opposed to choosing from a limited menu, they become more willing to proceed with the self-service engagement.

It is also important to ensure bots can offer worthwhile resolutions; after all, customers who are sharing real issues or complaints are almost certainly looking for more than a link to the FAQ page. Food delivery services have proven particularly adept at the "service" part of self-service; they program their automation tools to offer instant refunds or credits when customers share bad delivery experiences.

When a customer knows they can get an actual make-good, as opposed to a mere "thanks for sharing your feedback," they will be more inclined to engage in chatbots.

And it is not as if bots invariably have to resolve problems to be successful. The mere fact that they can understand and attempt to solve problems will be enough to cultivate trust, since customers will at least feel that the information they are sharing is being logged and taken seriously. If getting seamlessly routed to an agent who can see the conversation history and instantly solve the problem is a "worst case" outcome, customers will still be inclined to engage. They will at least know the effort they are putting into the self-service tool "counts."



ENHANCING AGENT EXPERIENCES IN THE “NEW NORMAL”

Most AI solutions are presented as agent experience initiatives. Even customer-facing tools like chatbots still promise the ability to absorb lower-value inquiries so that agents can focus on higher-value, more enriching work.

As a result, AI has considerable importance in today’s employee engagement landscape. Facing the difficulty of engaging workers in the era of remote work, and the difficulty of keeping them, period, amid “The Great Resignation,” companies require solutions for attracting, empowering, and developing their talent.

AI opportunities exist for many agent experience use cases, but which are most urgent in today’s landscape?

For customer contact leaders, the most popular opportunity involves reducing simple tasks and inquiries so that agents can focus on higher-value, more satisfying work. A whopping 66% say they are focusing on this use case.

Conversations about “emerging workforce generations” routinely trumpet the importance of providing employees with a sense of purpose, as well as elements of diversity and unpredictability in their daily workflows. For far too long, contact centers have failed to deliver these benefits.

They asked agents to respond to the same types of questions, from the same types of customers, using the same scripted answers.

By automating these repetitive conversations, companies ensure agents can focus on less predictable, more engaging inquiries. They will not only gain more excitement in their daily routines but get to truly serve customers (as opposed to simply reading policies back to them) and thus understand the significance of their role. This duality of power and purpose will lead to a more satisfying agent experience.

The automation of rote *internal* tasks will only enhance the joy and value agents receive from their newfound positioning as a truly customer-facing ambassador. And insofar as agents will be focusing on more valuable work, companies will have more incentive to reconsider compensation and invest in higher-caliber coaching and development.

Other agent experience priorities include improving analytics and quality monitoring (62%), streamlining simple tasks to reduce agent need (57%), improving access to knowledge (54%), and elevating workforce optimization to support more flexible work models (50%).

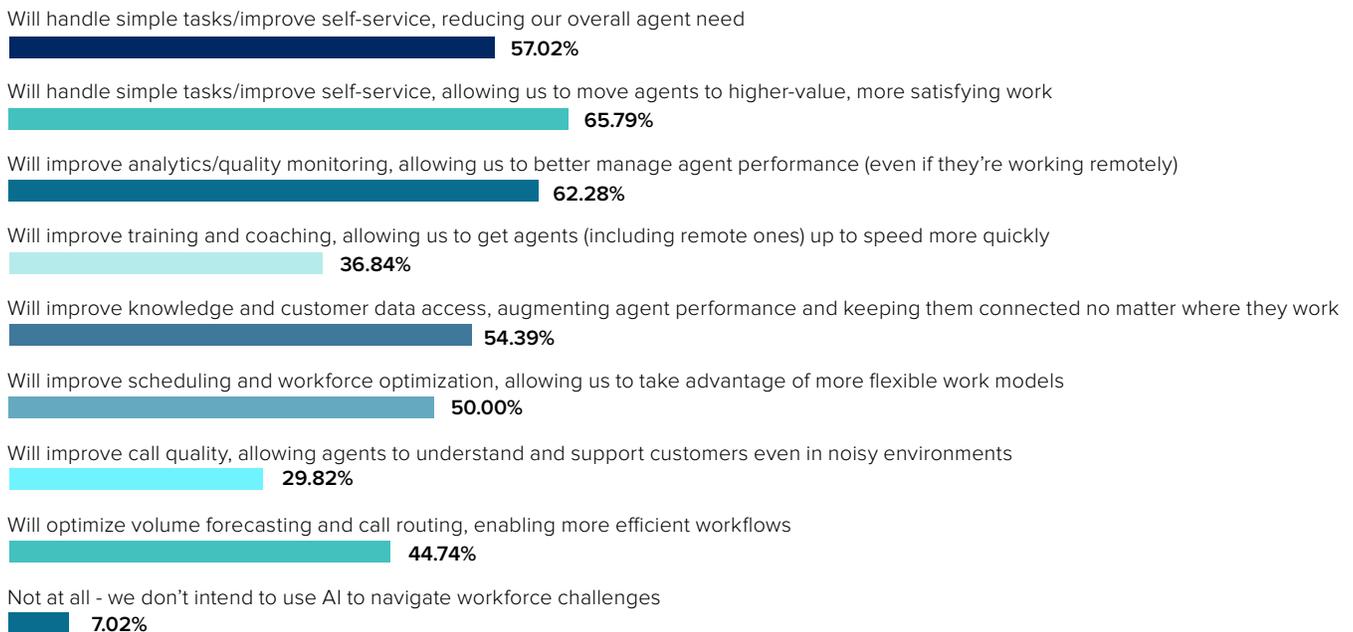
Of these four priorities, three directly speak to agent performance and satisfaction. AI-driven analytics enable companies to evaluate 100% of agent interactions no matter when or where they are working. This means agents and their coaches will not have to argue about whether that “one recorded call” was reflective of their strengths and weaknesses; both parties will have complete, unbiased access to quality issues and development opportunities. Beneficial in any environment, these tools are particularly useful in remote models where supervisors cannot “look over agents’ shoulders” to assess performance.

AI-driven knowledge enhancement puts relevant intelligence at the fingertips of agents, including remote ones, ensuring they can focus more intently on actually solving problems and connecting with customers. The result will be agents who are *better* at their jobs – and happier with what they are doing.

AI-driven workforce solutions help companies tap into the advantages of the new normal and actually attract and leverage high-caliber talent. With the ability to not only let agents connect remotely but work flexible schedules in-line with their preferences and actual customer needs, companies can simultaneously boost the appeal of the job *and* reduce operational inefficiencies.

Granted, many companies acknowledge the inherent difficulties – and costs – of hiring and retaining agents in today’s landscape. For them, there is value in not only better supporting talent but automating tasks so that they are less reliant on massive frontline headcounts. Although it may not be the most heartwarming perspective, it is a realistic one for companies that face the unavoidable realities of tight budgets.

How will AI solutions help your company navigate through current workforce trends, such as labor shortages, “The Great Resignation,” and new expectations for agent performance?





LOOKING TO 2030: WHERE WILL AI MAKE ITS GREATEST IMPACT?

Reservations and challenges aside, the typical leader *already* believes AI technology is making good on its promise to transform the customer contact function. Assuming these leaders continue to invest in the right technology with the right strategic planning, the impact will only grow in the years ahead.

Companies do not, however, believe equal degrees of transformation will occur in all business functions.

By 2030, they are most confident that the technology will have impacted process automation, including the elimination of simple tasks. Companies rate the anticipated impact on process automation at 3.96 on a scale of 0-5, with 0 representing “no impact” and 5 representing “major impact.”

Fifty-six percent (56%) specifically ascribe the “major impact” label to process automation.

The relative optimism around AI’s ability to improve process automation is entirely unsurprising. Although many companies *will* continue to pursue AI’s cognitive and conversational abilities, they remain most familiar with a more traditional, transactional approach to automation.

They, therefore, remain confident that AI will *at least* be able to remove simple, redundant tasks off employees’ plates. They remain confident that AI will *at least* empower their ability to perform repetitive work at scale.

Similar logic may explain leaders believe AI will have a slightly bigger impact on intelligent routing (3.78) than self-service (3.71). Intelligent routing may not be a static, transactional function in the same vein as classical process automation, but it involves a lower conversational lift than an aspirational self-service model. It also hinges on the admission that AI-driven chatbots and IVR systems will not reach a point of solving all customer issues by 2030. As such, companies should at least strive to simplify journeys by directing customers to the best available agent for their personality, needs, intentions, and sentiments.

Of course, the 3.71 score for self-service (with 43% expecting a major impact) is hardly a condemnation. It does reflect the belief that AI will continue to transform the self-service experience, empowering customers to receive answers and resolutions on their own terms.

With respective impact scores of 3.52 and 3.48, customer and employee intelligence and quality monitoring rank as the next biggest optimism drivers. The two are connected – quality monitoring is one of the top use cases for contact center intelligence, particularly in the era of remote work

when supervisors cannot as easily “look over their agents’ shoulders.” Both also speak to AI’s power to unify and analyze data at scale, yielding the kind of actionable intelligence that employees cannot achieve manually.

Which do you believe are the “make or break” components of a great customer interaction in 2022?

Self-service/customer interactions



Intelligent routing/journey navigation



Process automation/eliminating simple tasks



Agent augmentation/“next-best action,” training, knowledge, etc



Workforce management/scheduling



Customer and/or employee intelligence & analytics



Quality monitoring



Experience design / “no-code” CX platforms, etc





FACTORS DRIVING THE DIGITAL TRANSFORMATION

Like most business functions, customer experience teams will often respond to the “Jones Effect.” They will pursue investments largely because they are trendy and attracting the attention of partners and competitors.

Realistically, that effect is a significant driver behind the digital transformation. It is not, however, the only motivation. Many companies have been ramping their digital investments up to provide legitimate value for customers – and to eliminate some notorious customer contact pain points.

The pain point companies most hope to alleviate is long wait times.

Across the past several iterations of CCW Digital’s Consumer Preferences survey, the majority of consumers said they routinely experience long wait times when interacting with brands. It should come as no surprise, therefore, that companies want to do what they can to finally reduce waiting. For 75% of companies, digital channels are part of that solution.

Other digital engagement drivers include not providing enough contact options for customers (52%), struggling to provide 24/7/365 support (49%), not providing enough proactive support (47%), and not collecting enough customer data (45%).

Each of the top options speaks to the importance of making customer experiences more convenient. Adding digital channels automatically provides customers with more options for reaching a brand, increasing their power to get support on their own terms. Whether due to a fundamental preference for digital or a contextual need for a non-phone option, digital channels will represent the preferred terms of today’s consumers.

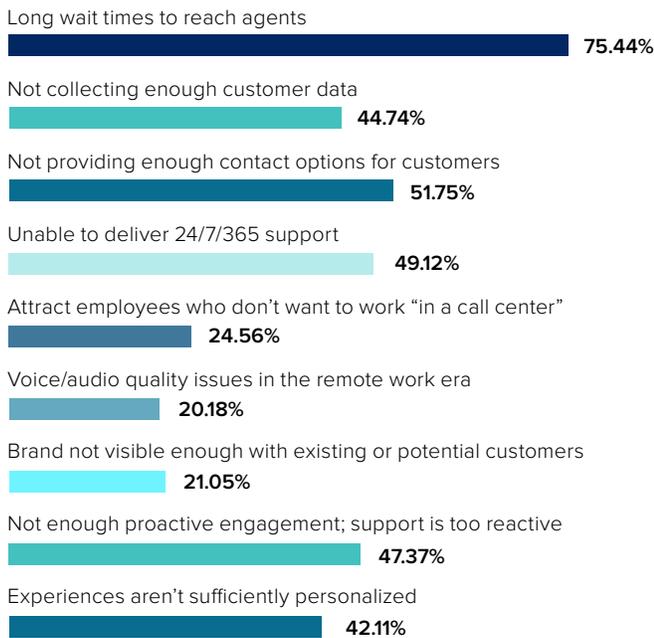
Because of the lower-touch nature of the digital world, digital channels represent a better option for providing around-the-clock support. For many customers *and* agents, chatbot or simple live chat interactions simply make more sense than phone calls at 3AM early Tuesday morning.

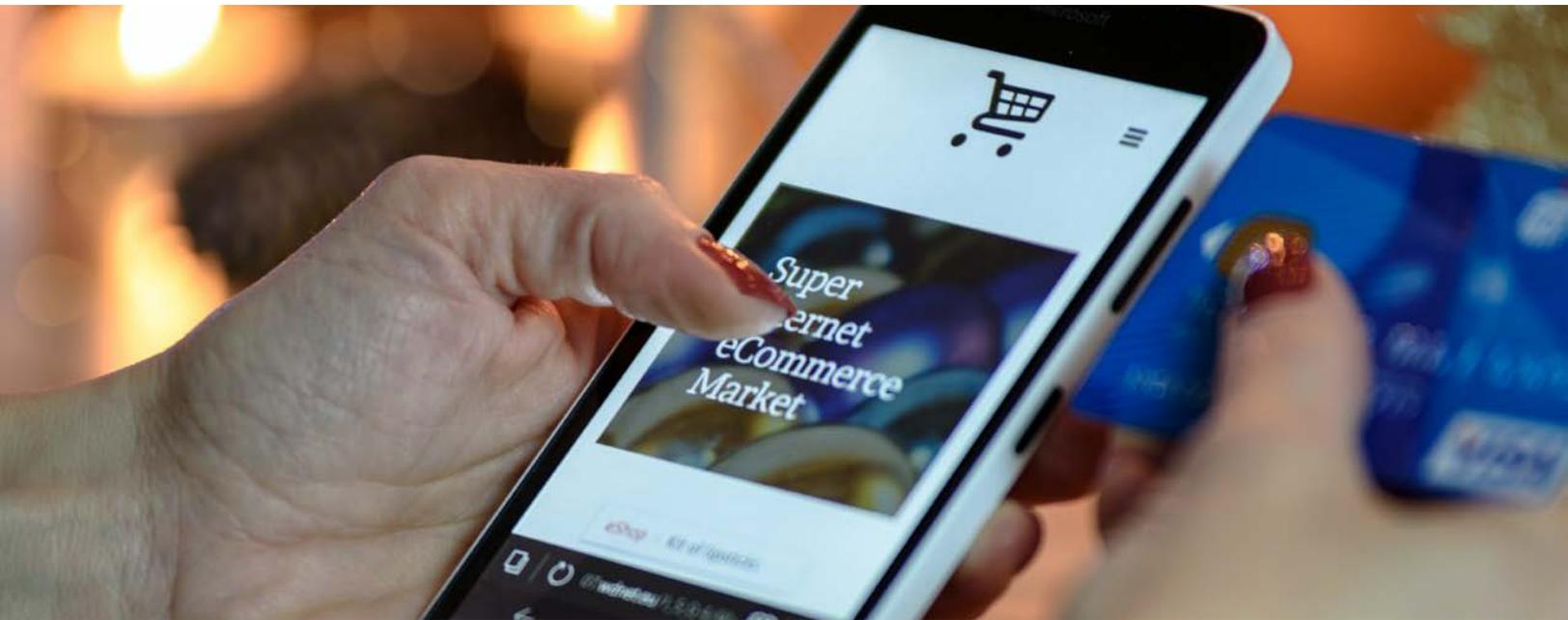
The inherent scalability of digital channels, even agent-led ones, also supports the effort to make care available on a 24/7/365 basis. Agents can only handle one phone call at a time, but they can concurrently engage in multiple chats or messaging interactions. Companies, in turn, can leverage digital to expand availability without dramatically increasing cost or headcount.

Because of the stigma surrounding telemarketing, not to mention the difficulty of getting through due to a variety of industry factors, phone calls are not always the best option for providing proactive support. Quick text or email updates, on the other hand, help companies deliver useful proactive messaging in a convenient, non-intrusive manner.

Although it does not exclusively concern “convenience,” the emphasis on customer data collection can still lead to more frictionless experiences for customers. Increasing the availability of digital channels helps companies not only capture information from customers at new touch points but gain a clearer sense of how they select options and move throughout the journey. Using this intelligence, brands can streamline customer journeys, enhance intelligent routing, and ultimately provide customers with a quicker pathway to their preferred outcome.

What common CX pain points are you hoping to solve with digital channels?





POST-PANDEMIC DIGITAL WINS

While exploring ways to reduce customer pain points, the entire business community has been dealing with another digital transformation driver: the COVID-19 pandemic.

The cause of months, if not years, of social distancing requirements, the pandemic brought digital to the forefront of most industries. Purchasing products and receiving support through digital means became the best available, if not only, option for all generations of customers, which raised the stakes of digital transformation investments. Brands that did not react to the macroeconomic shift by elevating their digital experiences risked falling behind.

Concerns over the pandemic have eased in most parts of the world, but the spotlight it placed on digital will have a lasting impact.

What specific types of digital transformation did the pandemic spur? According to customer experience leaders, the #1 answer is automation.

Over 47% of companies say they are now automating more parts of their digital customer journeys. There are multiple explanations for this development.

For starters, the surge in digital contact volume made automation a necessity; companies quite simply could not keep up without automating phases of their digital journeys. The COVID-19 pandemic also spurred an increase in digital familiarity, which means customers are more willing to engage in automated, self-service interactions. It also means

brands have more insight into which parts of the digital experience they can successfully automate.

Other prominent digital evolutions include improving measurement and monitoring of digital interactions (44%), adding new digital channels (41%), strengthening data collection in digital channels (40%), and improving integration between digital channels (37%).

Given the greater reliance on digital engagement, it should come as no surprise that many companies bolstered their commitments to capturing data – and measuring success – in digital environments. The increased frequency of digital interactions surely helped in this endeavor, as companies gained a better understanding of “what good looks like” in the digital world – and thus a clearer sense of which metrics to use for assessing performance.

Adding and integrating digital channels, meanwhile, represented inevitable actions in a digital-first landscape. Frankly, they would have likely represented priorities even if the pandemic had not occurred; customers have long been expressing a preference for more contact options, and businesses have long known that adding channels can do more harm than good if the touch points are not seamlessly connected in an omnichannel experience.

Whereas the biggest “wins” are not surprising, CCW Digital’s survey uncovered unintuitive outcomes at the other end of the spectrum. Enhanced e-commerce

capabilities (24%) and increased digital containment (27%) represented the two least common wins.

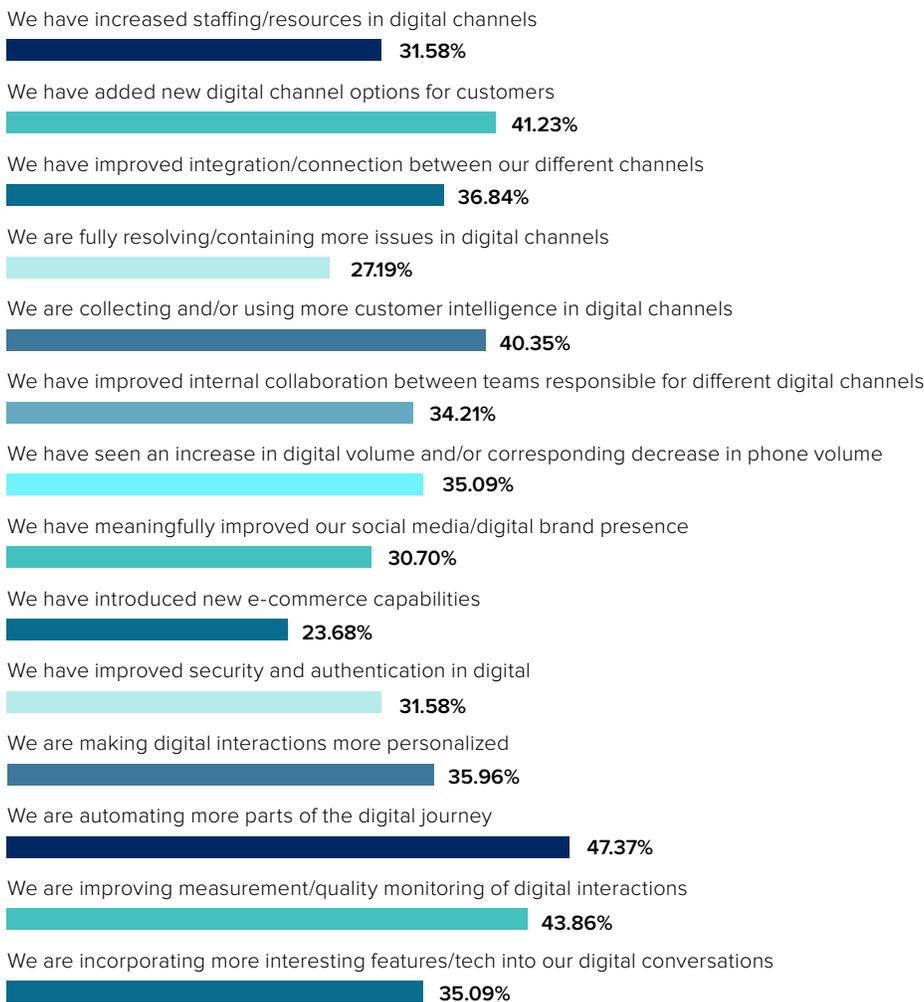
Insofar as the COVID-19 pandemic made e-commerce essential across many industries and demographics, it is disconcerting that the overwhelming majority of companies have not meaningfully improved their online purchasing experiences. Despite all the hype about competing on the customer experience, companies evidently felt no pressure to make purchasing more frictionless and personalized.

With all the emphasis on digital, the modest increase in digital resolution and containment is similarly alarming. It shows that customers and companies, by and large, still rely on phone support for at least some issues.

For as unintuitive as these findings may be, they should not register as surprising in light of **CCW Digital's 2022 Consumer Preferences Survey**. Only about 10% of consumers reported meaningful improvements in their experiences with brands, and the majority continue to trust phone far more than trendier digital channels with their customer service issues.

With brands not adding value to their e-commerce experiences or doing enough to make digital channels more resolute and supportive, it is easy to see why customers are so underwhelmed by their brand interactions.

How has your digital customer experience has evolved since the start of the COVID pandemic?





INCREASING TRUST IN DIGITAL CHANNELS

Theoretical comfort with digital channels is at an all-time high, but practical confidence in options like messaging, chatbots, and social media support continues to lag. Despite all the talk about the digital transformation and omnichannel revolution, brands are not instilling trust in their digital options. They are not convincing customers that they can consistently receive high-quality support in the digital world.

To cultivate more trust for digital options, the overwhelming majority of companies will emphasize speed. The top option for inspiring digital confidence, increasing speed of resolutions is a priority for 76% of brands.

The focus on speed aligns with previously established consumer and business priorities. Consumers identify long wait times as the most common pain point, while companies call long wait times the issue they most hope to alleviate with digital channels. Naturally, it makes sense to believe a commitment to faster digital resolutions will lead to an increase in customer confidence.

Not simply a direct response to the leading pain point, speed represents a fundamental tenet of digital communication. Digital is predicated on the idea of enabling people to quickly connect, ask questions, and process transactions on their own terms. A digital experience that lives up to its promise, therefore, makes this notion of fast support a reality.

Other top digital improvement priorities include improving the ease of engaging in digital channels (71%), increasing personalization (67%), improving data security and fraud prevention (63%), and ensuring live agents are available in digital channels (61%).

Much like speed, ease of use is a central selling point for digital communication. More than 90% of consumers say they become more loyal to brands after engaging in frictionless digital interactions. An effort to make digital easier and more accessible, therefore, is an effort that should grow customer trust and satisfaction.

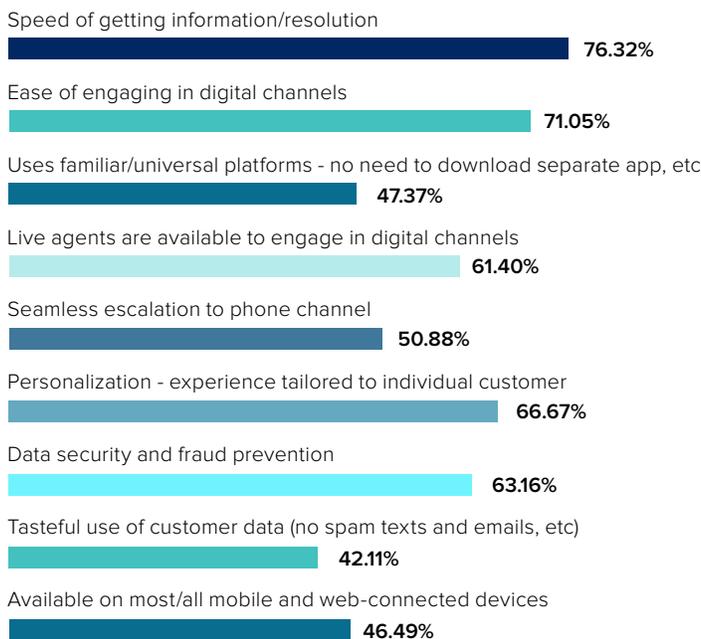
It is also worth noting that customers, due to a history of underwhelming digital experiences, may not know everything that modern channels can do. By making it easier for them to access these options, brands can introduce customers to modern capabilities – and inspire more trust that they can achieve their desired outcome without calling.

Only 15% of consumers feel the majority of their experiences are personalized, which explains the urgency of making digital interactions more personalized. Additionally, offering more contextually relevant content would also go a long way in shattering the misconception that digital experiences are inherently more “low-touch” and generic. If customers feel they can access *tailored* experiences in digital channels, they have more reason to confidently engage on such platforms.

The rise of personalization will, of course, necessitate a greater emphasis on fraud prevention and security. In order to fully trust digital channels for meaningful issues, customers have to know that the information they are sharing will be safe from fraudsters and only used tastefully by the brand.

Live agents are essential for building trust in the support experience, with 77% of consumers saying they expect access to human support for *all* issues. By making agents available, brands provide assurance that customers will have access to a true support experience in digital channels – not merely a deflection mechanism.

Which of the following factors are IMPORTANT for creating more digital customer trust and satisfaction?





ENHANCING DIGITAL EXPERIENCES

In comparison to traditional phone interactions, trust for digital service experiences is low.

On the one hand, this suggests brands should work to ensure their digital channels provide access to the same caliber of support offered on phone calls.

On the other hand, brands cannot dismiss the fundamental differences that exist between channels. Text messages are not the same as phone calls, which are not the same as emails, and it would be irresponsible – and, frankly, anti-customer – to pretend otherwise.

The key, therefore, is to commit to delivering the most valuable, relevant experience possible within each individual channel. In most cases, this will mean pairing what customers like about phone calls – access to supportive live agents, for example – with some “value adds” that are exclusive to the digital world.

When it comes to the agent piece of the puzzle, many companies are moving in the right direction. A healthy 50% of companies say that digital agents have the same leeway to go “off script” as phone agents.

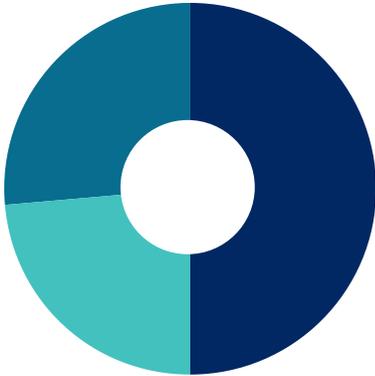
As customers become increasingly comfortable with self-service, they will no longer need agents to simply read scripts or restate corporate policies. They will seek agent assistance to navigate unique, complex issues or to provide resolutions that could not be automatically delivered under standard operating procedures. If customers know that they can receive this higher-value, nuanced support from *digital* agents, they will have more enthusiasm about texting or chatting with brands.

When it comes to digital enhancements like augmented reality, co-browsing, geo-targeting, and simple authentication, action is promising but not yet sufficient.

Over 54% of brands do leverage digital-centric features at least somewhat frequently, but only 11% say they do so very frequently. This means that many digital experiences are suboptimal; they may involve a capable agent or fast response time, but they do not harness the power of digital to make experiences easier, more informative, or more personalized.

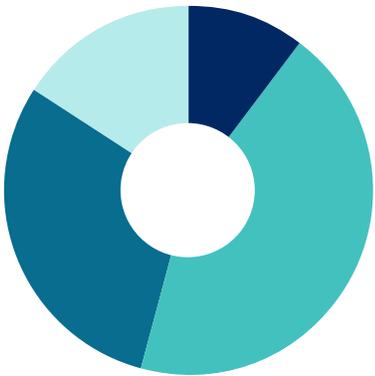
As companies look to transition from merely offering digital channels to meaningfully elevating digital experiences, it is imperative that they address this gap.

Do agents in your digital channels (email, social, chat, text, etc) have the same leeway to go “off script” and provide custom resolutions/make-good as those in your phone channel?



- 50.00% Yes
- 23.68% No
- 26.32% N/A - can't compare as we either don't staff for digital or don't staff for phone

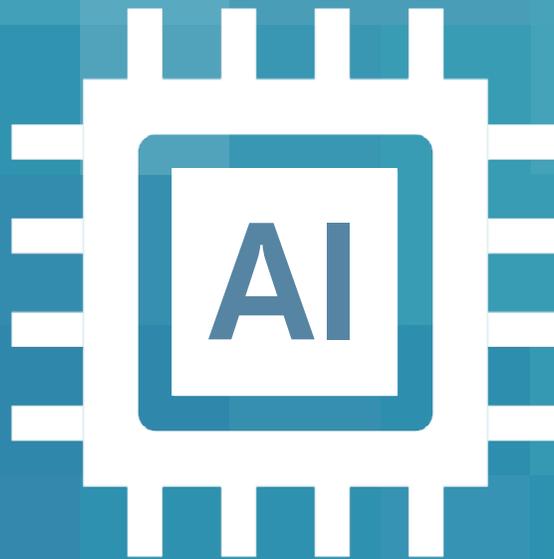
To what extent are you using digital-first features (such as geo-location, AR/VR, co-browsing, proactive text alerts, biometrics, visual menus, etc) to enhance customer experiences in digital channels?



- 10.53% Very frequently - all experiences feature unique digital features/technologies
- 43.86% Somewhat frequently - some experiences feature unique digital features/technologies
- 29.82% Rarely - experiences almost never use unique digital features/technologies
- 15.79% Never - we don't use anything we couldn't offer over the phone

PRACTICALITY GUIDE:

Customer experience case studies,
expert tips, and practical exercises that
you can bring back to the office.





HARTE
HANKS

WHAT “PERSONALIZATION” REALLY MEANS IN TODAY’S CX LANDSCAPE

Can knowing a customer’s name and favorite sports team positively impact support interactions? Absolutely. Does it automatically constitute personalization? Not in today’s hypercompetitive customer experience landscape.

Brands have long viewed “personalization” as an exercise in *showing off* what they know about customers, but today’s consumers are no longer impressed. They want brands to *leverage* what they know to create experiences that are easier, more relevant, and more likely to yield accurate, timely resolutions.

Moreover, they seek this caliber of personalization in all channels at *all phases of the customer journey*. They expect all interactions, from marketing emails, to self-service engagements, to in-depth customer support conversations, to demonstrate cognizance of their urgency levels, intentions, and sentiments. By and large, brands are falling short of this standard; only 15% of consumers feel the majority of their experiences are personalized.

How can companies escape this bleak landscape? How can they better understand their customers and, in turn, successfully redesign their end-to-end experiences? What role will digital channels and artificial intelligence solutions play in this process?

This briefing has the answers, revealing the biggest challenges to understanding customers, key tenets of the new standard for personalization, and proven case studies for transforming customer journeys.

3 INHIBITORS TO CUSTOMER EXPERIENCE PERSONALIZATION

It is not as if all brands believe repeating a customer’s name or referencing their subscription status is enough to win lasting loyalty. Many recognize the importance of using robust, contextual information to create seamless, consistently valuable customer journeys.

Unfortunately, these organizations lack the framework for understanding and adapting to specific customer preferences, behaviors, and intentions. Due to a combination of insufficient data management practices, operational fragmentation, and misguided views about the omnichannel customer experience, they are fundamentally unable to deliver relevant engagement at key moments of truth. Three of the most common challenges follow.

Settling for Insufficient Customer Intelligence

A staggering 90% of brands face shortcomings in their customer intelligence efforts.

Many organizations fail to even capture robust, actionable intelligence about customers and the journeys they are experiencing. Those that are collecting valuable data, meanwhile, often struggle to properly unify and analyze the insights they are capturing. Either way, brands that cannot democratize a 360-degree view of customers and their experiences stand little chance of eliminating pain points, streamlining journeys, anticipating customer needs, or personalizing conversations.

Since *knowing customers* is a prerequisite for achieving customer centricity, it is imperative for brands to overcome these challenges.

First, they have to ensure they are capturing robust insights from all customers in all channels. Encompassing real-time behavioral insights, survey feedback, and sentiment, this first-party data provides a vivid window into who their customers are, how they wish to engage, what they hope to achieve, and what outcomes positively and negatively impact their satisfaction.

Not content to merely *collect* great data, leading brands harness the power of artificial intelligence to uncover the most actionable insights, including root causes and predictions.

“The nature of customer care provides a rich resource to collect, analyze and apply first-party data that provides real-time insights on how consumers interact with your brand. When done well, customer care allows you to scale engagement across all channels accurately and with consent leading to relevant, responsible and highly personalized customer experiences. First-party data gathered from interest to intent to purchase to post-sale support provides companies with unparalleled opportunities to build accurate predictive models to directly target consumers resulting in higher satisfaction, loyalty and lifetime value.” - Ben Chacko, Harte-Hanks

By ensuring CRM intelligence integrates with essential enterprise systems, brands achieve a single source of truth that all customer-minded employees – from experience designers, to salespeople, to service representatives – can access in key moments of truth.

“Choose the best CRM for your needs and integrate it with your master customer system. All interactions should tie back to a single record, allowing your agents to offer personalization and more efficient support. Integration also allows the first party data from your customer care interactions to inform your marketing, which becomes especially important as privacy continues to increase.” - Ben Chacko, Harte-Hanks

From there, brands can build journeys based on actual customer behaviors, while tailoring conversations to imminent customer needs.

Struggling to Unify the CX Operation

Unifying customer data opens the door to a more cohesive, more personalized customer experience, but it does not guarantee it. If different customer-facing teams are operating in silos with their own priorities and metrics, the brand will struggle to consistently anticipate customer needs and deliver relevant content and support.

Such operational fragmentation is all-too-common in today's marketplace, with different employees, let alone different departments, failing to successfully collaborate. The inevitable result is an inconsistent end-to-end experience that may not only feel impersonal but unproductive. Customers will not sense the requisite value at all phases of the journey.

Mistaking Low-Touch for Low-Value

According to CCW Digital's 2022 Consumer Preferences Survey, satisfaction and trust levels for traditional phone conversations greatly exceed those for chatbots and messaging. This discrepancy is not, however, the product of customers categorically *preferring* phone calls.

Rather, it stems from a misguided approach to digital channels. Brands too often treat the idea of “low-touch” as an excuse to take a transactional approach to such channels. They insufficiently staff these environments, while failing to emphasize the personalization, resolve, and value today's customers are unequivocally demanding.

The reality is that personalization may be even *more* important in digital channels, since chatbots or digital agents cannot compensate with smiles or warm tones. Content that is generic, outdated, or convoluted will lead to a poor customer experience.

And while all channels will not make sense for all issues, they should at least provide value for the customer. A chatbot may not be the best avenue for navigating a complex billing dispute, but if it can capture valuable information about the customer's issue, it can at least route the customer to the right agent – and prepare that agent to start the call on the right foot.

REACHING THE NEW STANDARD OF PERSONALIZATION

At the end of the day, personalization is not about being polite. It is not about superficially acknowledging customer preferences. Rather, it is about being purposeful. It is about using customer knowledge to anticipate needs, eliminate pain points, and provide the best support possible. It is about expertly *guiding* customers through their journeys.

To reach this higher standard of personalization, successful brands will embrace the following four tenets.

Approach Personalization As An End-to-End Initiative

Suppose you call your Internet provider after the third service outage in a single week. The agent recognizes your recent calls but still asks you to verify your name and account number and still instructs you to go through standard steps like rebooting your router.

Suppose you receive a personalized email about a discounted teeth whitening session, but when you click the link, you have to input all your personal information and then call to schedule the specific appointment.

Both scenarios involve a promising interaction turning sour, and the reason is simple: they forget that *personalization* is not a one-off, transactional gesture. It needs to continuously underscore the end-to-end experience.

A “customer journey” is not simply about connecting different transactions together. It is about *leveraging* different channels to increasingly learn about customers and then using that knowledge to improve subsequent experiences. A customer's past behaviors, purchases, and support inquiries should *inform* future interactions, allowing brands to anticipate needs, bypass certain steps, and deliver increasingly relevant content, guidance, and resolutions.

Adopt the Correct View of Empathy

Customers always prioritize outcomes, but their desired results will change based on context. In some cases, customers will be seeking the fastest, most straightforward answer. In others, they will seek intimate guidance through a complex, emotional, or other high-stakes issue. Personalization accounts for this fluidity, ensuring brands reject one-size-fits-all engagement and embrace the idea of empathy.

Contrary to common misconception, empathy is *not* a synonym for highly emotional conversations. Rather, it involves putting oneself in the customer's shoes and delivering support most befitting their situation.

A customer who is struggling to submit a tax form at 11:55PM on April 14 is not seeking an intimate conversation with an agent. Any effort the agent makes to converse with the customer, in fact, *worsens* the situation. The most empathetic – and, ultimately, personalized – thing the brand can do is provide an immediate solution to the problem.

On the other hand, a person working on a payment plan for an ill loved one's medical expenses *will* likely appreciate condolences and sympathy from the hospital's billing department. Rushing through the interaction would be what worsens the situation.

To ensure all interactions are empathetic, successful brands will capture and democratize vital data about the customer and their unique situation. They will concurrently train agents to *use* this information when determining how closely to follow traditional scripts and operating procedures.

Proactively Guide Customers To The Best Experience

Personalization is not simply about knowing customers' superficial details and preferences. It involves knowing what they want to achieve.

With that information at their disposal, brands are able to *guide* customers to the channels and agents best capable of providing fast, easy, accurate resolutions.

“Previously, it was important to provide solutions in the channel of choice, but what we are now seeing is that customers want to be given the best channel for their issue, one that reduces their effort required to get their resolution in a timely period.” - Ben Chacko, Harte-Hanks

This is by no means a call to ignore customer preferences or downplay certain channels. Knowing that customers are increasingly searching for solutions on their own should, for example, be an impetus for brands to improve their self-service offerings.

“Self-service is an ideal way to meet expectations and resolve issues quickly, especially for the top 40% of volume drivers. When we consider the top call drivers, most issues require little to no support interaction, allowing those customers to make use of the self-help options for quick and easy resolution. As an added bonus, self-service provides customer information and details on what they have already done.” - Ben Chacko, Harte-Hanks

Customer-centric companies will not, however, force self-service on customers simply because it is trendy and theoretically cost-efficient. They will not let customers spend days negotiating an issue over email when a phone call would yield a resolution in five minutes.

Quite simply, they will not let *theoretical preference* stand in the way of *customer experience realities*. By focusing on what the customer really wants to achieve, and by evaluating past successes and failures, they can fast-track customers to meaningful support. That is a far better sign of *personalization* than half-heartedly offering a bunch of different channels.

“A strategic integrated approach helps identify the best channel for each scenario. By continuously evaluating the reason for contact and channel metrics; including handle time, quality scores, first contact resolution, and CSAT; we identify which channels are best suited for each type of interaction. This data can then be used to drive customers to the best channel, which may even include more modern options like in-product or in-app. Once the best channel(s) for each issue are identified, valuable, customer-centric journeys can be created by leveraging automation to guide customers to the appropriate channel(s). At the core, this approach reduces effort for the customer, leading to increased satisfaction.” - Ben Chacko, Harte-Hanks

Remove Barriers To Human Connections

With self-service options at their fingertips, customers will not rely on agents to read from the knowledge base or reiterate standard policies. When they contact agents, it will be to navigate uniquely challenging issues or pursue special resolutions.

To meet today’s customer experience standards, agents will have to deliver these unique resolutions in the most efficient manner possible. Brands, in turn, have to eliminate all barriers to human connections.

For starters, they have to provide employees with sufficient leeway for providing creative, unconventional resolutions. This does not mean encouraging agents to throw costly “make goods” at every mildly frustrated customer, but it does mean allowing them to ask questions and propose resolutions that are not in the official script.

More importantly, they have to enable employees to focus on forging a legitimate human connection with customers. To achieve this degree of empowerment, successful companies will integrate their systems and harness the power of artificial intelligence.

“AI and machine learning helps the agents provide effective service faster. It can allow the agent to understand what the customer needs early in the interaction through intent-based decisions. The agents receive suggestions on the next best action based on the interaction. The technology then anticipates additional future needs based on the past interaction data. Integrated systems provide many benefits to improve agent experience and interactions, like reduced training time, ultimately benefiting the company’s bottom line. They also provide customer data relevant to the interaction without the agent needing to search, decreasing effort and increasing personalization. These solutions allow agents to focus on the client interaction rather than fumble with the technology or switch platforms mid-conversation.” - Ben Chacko, Harte-Hanks

TURNING PERSONALIZATION INTO CX RESULTS

The beauty of the new personalization standard is that it emphasizes *value* over *gestures*. Brands will not simply be offering greater degrees of kindness; they will be creating faster pathways to resolutions.

As a result, customer satisfaction will rise as operational costs fall.

By partnering with Harte-Hanks to better understand customers and then tailor journeys accordingly, numerous brands have achieved these favorable results. Example success stories follow.

Company: Luxury Car Brand

Challenge: In an industry known for being fickle, Harte Hanks has been along for the ride with this client for more than fifteen years. When we first engaged, the resolution process was cumbersome, with agents having to place customers on hold while they frantically opened and searched numerous unconnected applications for answers to the most basic questions. Very few customer interactions were able to be resolved autonomously, triggering the need to have to speak with an operator. This dramatically raised the cost of customer service.

The marketing-based technology they employed to service customers was clearly inadequate on almost every level. The customer was unable to find answers on their own. Moreover, there was minimal information flow back to the dealership. Our client needed an omnichannel solution capable of fully integrating all layers of customer interaction into a single record.

Clearly, the time had come to trade in the old model...

Solution & Result: Our first job was to migrate the brand to an Oracle Service Cloud solution. Our team built a **fully integrated CRM** to bring all functions and supporting systems into **one solution**, including the self-service portal, marketing journey, government trend data, and sales leads.

To do so required building a detailed knowledge base and creating a simple customer-facing interface regardless of a customer's channel of choice. Then we needed to ensure that every piece of information we knew about a customer could be seamlessly accessed by an agent, providing essential repair records, household data, and a full customer history at their fingertips.

We also provided an integrated but dedicated dealer portal with access to all customer data. Everything we captured concerning their customers. Lastly, we provided proactive welcome materials, notifications to new car owners, and other key content.

This brand now leads the pack as an early adopter of new technology solutions to constantly improve the Help Center experience.

With a **75% exit percentage**, the majority of customer issues are now successfully resolved without the need for human assistance.

Company: America's Premier Entertainment Channel

Challenge: Since its inception, this premier entertainment network was marketed and delivered through cable operators. Cable operators provided a formidable buffer for the network's brand. That all changed in 2016.

Now the network's brand would be judged on both their content offerings and their customer interactions. Prompted by a frenzy of cord-cutting customers, the network was compelled to market its programs and services directly to the customer. They needed the infrastructure to support an aggressive slate of new content, to a universe of fickle subscribers, under a whole new set of parameters and protocols. The network's future depended on building a world-class CRM ecosystem. Quickly.

Solution & Result: This was not Harte Hanks' first premiere. We began with a prodigious library of best practices in the areas of both streaming services and technical customer care.

We then integrated subscriber support with the network's existing back-end systems to perform every task on behalf of the network. In record time, all subscriber account info, preferences, authenticated devices and data were fully integrated into the system.

We built data-driven, dynamic customer help portals for agents, searchable by the customer or by content and keywords. Our technology also allowed us to identify and capture the brand voice and build and implement a brand-specific lexicon in all communication touchpoints.

When the most lavish and expensive television series ever created became a global cultural phenomenon, Harte Hanks was able to flexibly ramp, scaling from **50 to 600 agents in a day without failure** to service the U.S. and abroad, seamlessly processing more than **1,000 interactions per minute**. We built the network's care center with scalability in mind, whether for excess weekend traffic, long-awaited new seasons or anticipated premieres.

12% CSAT increase in the first 7 months with Harte Hanks, a significant increase for a company with an already-great CSAT score.

200% sign-in resolution increase in just 6 months.

Company: Top Manufacturer of Household Cleaners Clorox? Pfizer? Sonic?

Challenge: When Harte Hanks won the business of a top CPG company, our intense agent training methodologies, low turnover, and comprehensive fulfillment operation were compelling competencies in our client's decision to move their business.

And then, with little warning, an unprecedented global pandemic flipped the switch. However, the client's portfolio included some of America's most popular household cleaners, disinfectants, wipes and laundry detergents.

Sales of cleaning products exploded as "panic cleaning" became an ominous activity. As grocery shelves went bare, a tsunami of calls and emails flooded in from customers frantically seeking products. While Harte Hanks has often stepped into crisis management mode on behalf of clients, there was no playbook to address a rampant pandemic.

A great deal of customer care counseling occurred in almost every consumer interaction. The sheer volume of calls meant unavoidable increases in wait times, which further exacerbated customer frustration.

We correctly predicted that customer call content would be highly reactive to breaking news and press conferences. This led us to constantly monitor the news cycle and prepare credible answers to customers' heightened concerns.

Solution & Result: Ramping up staff was our first priority. We had to scale up virtually overnight, doubling our staff to support the volume, while at the same time restructuring for staff that was newly decentralized.

Through automated segmentation and analysis of customer inquiries, we identified key drivers and isolated the most prevalent issues, decreasing initial training time by a full week. All our customer care associates also participated in a boot camp to shorten the learning curve when agents needed to be quickly dispatched to other product categories.

Our Pandemic Instant Response Tech team was deployed to address any IT issues that could slow down implementation.

We implemented emergency messaging on the Interactive Voice Response (IVR) system to rapidly educate customers on key issues and, if possible, redirect them to less congested channels. We also created a special "jump the line" queue when calls concerned fraudulent products or price gouging activity and immediately escalated them for investigation.

With the most well-known products in short supply, our content strategy diverted customers to other, more available substitutes that were equally as effective.

We utilized the Hootsuite platform to monitor all key social channels for saboteurs and mitigate potential damage to the brand.

Our client was recognized by The Wall Street Journal as emerging from the Covid crisis with exceptionally high CSAT scores:

"[Our client] has seen a surge in sales of coronavirus-killing cleaning products amid the pandemic...**leapt to a sky-high [CSAT score].**"

Harte Hanks had **zero turnover** amongst support staff, supervisors and team leads, which was a key measure of success.



THE 4 BIGGEST AI MISTAKES & HOW TO FIX THEM

From reducing customer effort, to unlocking customer intelligence, to eliminating operational inefficiencies, to boosting employee satisfaction, the potential benefits of artificial intelligence (AI) are considerable.

Many companies are not, however, in position to seize the opportunity. Due to a series of common mistakes, they fail to pursue the AI solutions that can truly transform their customer and employee experiences. Worse, they struggle to cultivate a customer contact environment that can maximize the impact of the new technology.

Given increasing customer demands and soaring employee expectations, customer contact leaders can no longer afford to view artificial intelligence as an aspirational endeavor. They need to overcome common pitfalls and begin to harness the power of technology – urgently.

What steps can they take to turn the potential benefits of AI into quantifiable results? What can they do to efficiently transform their customer and employee experiences? This guide has the answers. It reveals solutions to the four biggest AI mistakes, before showcasing a real-world success story.

MISTAKE #1 | SQUANDERING THE DATA OPPORTUNITY

Thanks to an exponential increase in touch points *and* the emergence of innovative analytics technologies, companies have more power than ever to understand customer personas, preferences, intentions, and sentiments. By and large, companies are not taking advantage.

A staggering 90% of companies acknowledge shortcomings in their customer intelligence initiatives, with many struggling to even collect – let alone unify and analyze – valuable intelligence about customers, employees, and operational performance.

This intelligence, of course, is essential for understanding *which* aspects of the customer and employee experiences to automate. It is also crucial for informing artificial intelligence solutions, since they require seamless access to customer and company data in order to successfully automate tasks and conversations.

“Too many companies view themselves as data-driven organizations but lack insights beyond disposition reports. Understanding frequent and emerging topics and their subtopics along with sentiment and complexity analysis, by call type, is the foundation of the journey to where AI can transform the customer and associate experience. Starting with high sentiment/low complexity intents is a way to build a foundation of small wins that will accelerate to more complex use cases where organizations can scale. An organization utilizing AI and automation technologies can expect 30-50% additional workforce capacity without having to hire additional staff.” - Brian Martis, TTEC

The Solution | Successful companies will adopt a comprehensive data strategy, ensuring they identify and pursue opportunities to capture, structure, and interpret external and internal insights about specific customer behaviors, inquiries, and sentiments.

The next steps involve unifying, analyzing, and operationalizing the intelligence, and AI solutions can play a pivotal role in this process. Capable of gleaning valuable insights at scale, such technologies can zero-in on the most actionable data. A modern customer data platform can help store and integrate this data with key enterprise systems, ensuring the right information is available at key moments of truth.

From there, companies can pinpoint the specific pain points, inefficiencies, and error risks they wish to address with AI investments. Equally importantly, they can connect AI tools to these data sources to ensure the automation is as effective and customer-centric as possible.

MISTAKE #2 | FORGETTING THE CX IMPACT

It is a tale as old as time: companies tell themselves that their investments are about putting the customer first, but their actions say otherwise. They focus primarily on “call deflection” and ignore the impact AI has on the customer experience.

As a result, customers are forced to use bots when they really want to speak to agents. The bots or automated processes with which they do engage, moreover, are impersonal, unable to handle nuanced issues, and unable to recognize natural, conversational language.

And because bots are insufficiently connected to employee-led channels, customers have to endure frustrating escalation processes when the self-service experience inevitably fails.

The Solution | By analyzing actual data about customer preferences and intentions, companies can identify the best use cases for AI tools.

Once they uncover the best opportunities, they consider the full scope of how AI will impact the experience. This includes leveraging experience designers (and no-code CX tools) to create more natural, organic, intent-driven conversation flows. It also involves optimizing the journeys of accessing and escalating away from AI-driven self-service; intelligent routing based on customer profile and/or intent is a particularly compelling use case.

“AI is not something you just turn on and it works. You need to invest in the skills necessary like Conversational Designers that understand the intent-driven journey and the friction points along the way. Only then can you design the workflows and back-end system integrations needed to satisfy that customer’s intent in a positive way. And that journey needs constant care and feeding to optimize those journeys continuously over time.” - Brian Martis, TTEC

Further, customer-centric brands prepare for the aftermath of successful AI opportunities. If, for example, customers do increasingly use self-service for simple issues, they will only turn to agents for complex issues. Agents will require training – as well as AI assistance tools – to meet this higher conversational standard.

It is important to note that adopting a pro-customer approach to AI does not require brands to *ignore* their interest in reducing costs. It simply drives them to focus on the costs and inefficiencies that most affect customers, which simultaneously improves profitability and customer satisfaction.

“Brands that have had a relentless focus on NPS and focus their attention on the experience of their customers – with less of a focus on cost – have experienced some of the biggest gains. Meeting those customers when and where they are differentiates the brand if designed appropriately.” - Brian Martis, TTEC

MISTAKE #3 | IGNORING VOICE OF THE BUSINESS USER

Given the rising standard for agent performance, the growing emphasis on the employee experience, and the emergence of flexible workforce models, agent empowerment is more important than ever. It is imperative that brands leverage technology to help agents easily get the information they need to efficiently perform tasks and consistently wow customers, regardless of where or when they are working.

In theory, AI solutions are perfect for this landscape. They promise the ability to eliminate work that frustrates agents, while augmenting their ability to perform higher-value tasks. In practice, they have a counterproductive effect. They often introduce steep learning curves and new sources of friction, complicating work experiences for the very agents they are meant to empower.

The mistake is often a product of brands ignoring the voice of the business user.

Just as they fail to consider how AI solutions impact customer experience, technology buyers often neglect to account for the agents who will actually be using and interacting with the new solutions. Nearly 60% of companies admit that users do not have enough influence over technology purchases.

The solution | By viewing AI investments at least partially as *employee experience initiatives*, brands will take a more productive approach to technology sourcing.

This includes analyzing employee feedback and performance data to identify the tasks, processes, and systems that most impact their productivity. In today's landscape, popular agent-friendly use cases involve optimizing knowledge base access, in-call agent assistance, real-time coaching and quality management, and automation of post-call work.

After uncovering the most pressing needs, savvy companies will then engage employees in the actual sourcing process to ensure they provide feedback and buy-in for new technology implementations. Once the technology is in place, leading brands will incorporate efficient, flexible coaching – both on the system *and* the new workflows that the AI solutions will support – to ensure agents can best harness the power of the investments.

“Involving associates in the design/build/operate functions has been a successful model for ensuring the correct usage of the tools. Successful training on the capabilities/functions of the tools has typically been asynchronous where an associate can train during downtime or at home.”

- Brian Martis, TTEC

MISTAKE #4 | APPROACHING AI OPPORTUNITIES WITH THE WRONG MINDSET

The best AI investments are precise. *They focus on automating very specific processes to achieve very clear objectives.* Such specificity enables companies to plot the best rollout strategy, identify the necessary collaborators, quantify the results, and determine the best way to scale the AI to new processes or departments.

Unfortunately, precise is not the right word to describe many of today's AI investments.

“Companies will oftentimes think too broadly when it comes to their AI investments, typically with little coordination between business units, process experts, IT, and operations. One of the biggest failures companies make is not including front-line associates in the design of the workflow and how AI tools can reduce the effort of both the customer and the associate.” - Brian Martis, TTEC

If they are not trying to “boil the ocean” with aggressive AI initiatives that are destined to deliver underwhelming if not counterproductive results, companies are making AI decisions without considering the objectives, pain points, and systemic challenges that affect the various stakeholders. As a result, they are failing to achieve the *alignment* necessary to successfully implement, monitor, support, and iterate new technology investments.

The solution | The idea of *perfectly unifying* all departments around a narrow view of the customer experience is overly idealistic in today's world. The notion of migrating the entire business and all intelligence to a single platform may be equally daunting for most organizations.

Leading companies will, however, *account* for the different stakeholders when constructing their AI initiatives. They will look across teams to identify the most pressing use cases and then determine which departments need to be involved in the rollout.

They will also identify clear metrics for assessing the ROI of the investment and democratize the results throughout the business. With access to such intelligence, different teams will feel empowered to share feedback, flag improvement opportunities and identify future use cases.

AI solutions will achieve the buy-in, collaboration, and alignment that are essential for turning customer experience ambitions into successful transformations.

SUCCESSFUL AI YIELDS MAKES CUSTOMER CENTRICITY A REALITY

When companies set clear objectives for their AI investments, focus on the best ways to empower customers and agents, and harness the power of actionable intelligence, they achieve enviable results.

With guidance from TTEC, one company saw its AI investments yield a meaningful increase in customer satisfaction, growth in self-service containment, and a marked improvement in efficiency. Details of the success story follow.

Company: Computer software provider

Challenge: The tech firm needed a cost-effective way to reduce its backlog and maintain the quality service its customers expected.

Solution & Result: When a customer visited the company's website and submitted a question for a product, an AI interaction routed the question to a team of experts to have their question answered. After the interaction, the customer could accept or reject the answer and rate the expert. The interaction was automatically documented in the CRM system and the ticket was closed. If the question was not answered satisfactorily, the customer was transferred to an agent.

Results:

95% CSAT

<1 min response time

17% of questions were solved by AI



MAKING EXPERIENCES MORE INTELLIGENT | TRANSFORMING CUSTOMER & AGENT SEARCH WITH AI

In theory, customers are more willing than ever to self-serve. In practice, they continue to endure disappointing self-service experiences. **As a result, only 15% of consumers are confident they will solve their problems in chatbots, and a staggering 77% expect access to an agent for all issues.**

Agent interactions, unfortunately, introduce their own problems. The majority of customers experience excessive wait times en route to a live agent. **Worse, two-thirds feel the typical contact center agent does not know about the customers, brands, or products they are supporting.**

What explains this sobering landscape? Why are stellar experiences so elusive in both self-service and agent-led interactions?

The answer is simple: poor search practices. Companies are routinely struggling to put answers in the right places, at the right time to efficiently guide customers and agents. Making matters worse, strategic and technological limitations make it difficult for stakeholders to search and access answers in

a timely, contextually relevant manner, across all channels.

“Search is paramount because it’s usually the first thing people do when they need an answer. If you can satisfy them instantly, you deliver a positive experience while avoiding the costs associated with making them work harder. Poor search – which doesn’t return what people need quickly – frustrates customers and results in a higher volume of support cases. It also makes it harder for agents to solve those cases quickly and effectively, which frustrates the customer further and adds to the cost of the case.” - Colin Strachan, product manager for service and support at Coveo.

Companies do not have to settle for this bleak reality. They can harness the combination of AI and a unified index to make search easier, more intuitive, and more effective for customers and agents. In doing so, they can also uncover insights that can lead to significant – and continuous – improvements to customer journeys. This briefing provides the necessary guidance.

WHAT MAKES EXPERIENCES UNINTELLIGENT

Before proposing solutions for elevating customer journeys, it is imperative to understand why experiences are failing. It is crucial to determine the factors that prevent companies, agents, and customers from accessing the knowledge and insights needed to provide exceptional, and exceptionally personalized, experiences.

Some of the biggest challenges and pitfalls follow.

Fractured customer journeys

Today's customer journeys are unprecedentedly complex, and they span an increasing number of channels. Naturally, this heightens the importance of simplifying and unifying knowledge to ensure customers and agents can access accurate, relevant information whenever, wherever, or for whatever reason they choose to connect.

“The sheer variety of contexts in which people now consume information makes knowledge management increasingly important to the customer experience. People expect to get the answers they need effortlessly, regardless of their location, device or preferred channel. At the same time, customer loyalty is more fragile than ever – so failing to meet these expectations can cost brands dearly in customer churn and lost revenue.” - Colin Strachan, Coveo

Such unity is not a reality for many of today's companies, which continue to suffer from fragmented knowledge sources. Not simply disconnected from other knowledge bases, the information lacks integration with broader customer data and enterprise systems.

As a result, delivering accurate and consistent information across all touch points is all but impossible.

Lack of search analytics

Beyond fragmentation, today's search experiences suffer from a lack of measurement and insight. Without awareness of how knowledge is being consumed, companies cannot make the necessary improvements to their content or classification.

Even if they could, ineffective knowledge creation strategies and tools prevent them from creating the best possible new entries at the most opportune times.

Agents and customers are consequently left with out-of-date intelligence that adds frustration while reducing satisfaction. Customers are unable to solve problems on their own, and agents cannot provide support in a timely fashion.

Ineffective content findability

Even if knowledge is properly cultivated, managed, and organized, search can be inherently difficult when content is stored in silos and doesn't share a common taxonomy.

Lacking conversational AI capabilities, many legacy search platforms prevent users from searching for phrases and answers in an intuitive manner. If they do not precisely tailor their queries to the search engine's language – language they may not even know – they will be unable to find the information they are seeking.

Legacy platforms are often only able to retrieve information from a single knowledge source. This means users are fundamentally unable to access necessary intelligence from across all enterprise systems and data sources. They will either have to settle for incomplete and inaccurate information, or deal with the effort of manually unifying all content.

“Search engines usually only return results from a single platform. Customers and agents are therefore made to waste their time searching in multiple places to find the information they need to resolve issues.”

- Colin Strachan, Coveo

Insufficient emphasis on context

Correcting the aforementioned gaps may produce a better static search experience. It will not, however, automatically empower more relevant, personalized customer experiences.

“Even when search engines do connect to multiple content sources, they don't consider the unique needs of the searcher when delivering results. Without contextual data to personalize the experience for each individual, the searcher has to sift through the results to find the ones that apply to them. This friction causes a great deal of frustration for both customers and agents. It also leaves businesses having to waste resources handling simple, recurring support tickets that the customer should have been able to resolve on their own.” - Colin Strachan, Coveo

Whether in the form of “data overload” that requires users to pore through pages of tangentially relevant information or impersonal content that weakens conversations, search without context leads to experiences without value.

Is it any wonder that **only 15% of consumers feel their brand interactions are sufficiently personalized?**

MODERNIZING THE SEARCH EXPERIENCE TO ELEVATE THE CUSTOMER EXPERIENCE

The best customer experiences leverage contextual information to guarantee the most personalized, relevant interactions at all phases of the journey.

As the link between what a customer or agent wants to achieve and what information they receive, the search experience plays a vital role in empowering these immensely relevant – and, as a result, frictionless – experiences.

Granted, AI-driven search platforms can also introduce benefits beyond a direct customer or agent search experience. They can lead to wholesale improvements throughout the entire customer contact operation, driving the kind of efficiency and revenue gains all business stakeholders can appreciate.

Key facets and benefits of an intelligent search experience follow.

Ensure search spans all platforms

In the search industry, the term ‘federated’ gets thrown around a lot. Many search vendors will promote federated as the answer to the siloed search problem, but it has serious drawbacks.

While federated search can centralize content for users within a single interface, it does not achieve real unification. Content is still sourced from individual indexes within individual content repositories, and this hamstring organizations from achieving true search relevance.

“This roadblock can only be overcome by using a unified search solution with powerful connectivity. Your search platform must be able to connect to all of your knowledge sources, and then pull this data into a single, unified index. This way, it can establish relationships between each item in the index, and measure interactions with each piece of content, regardless of where it is stored. Machine learning can then optimize results based on content as a whole. That’s how true search relevance is achieved. Federated search solutions can’t accomplish this, because the content remains siloed at the source.” - Colin Strachan, Coveo

Indeed, the best search platforms are capable of intelligently searching *all* knowledge sources. This allows the user – whether they are a customer attempting to self-serve or an agent trying to solve a complex issue – to instantly access the most complete, relevant, and accurate answers to any given query.

In unifying the search experience, such a platform boosts an organization’s ability to deliver omnichannel support with less friction and a higher degree of personalization. All chatbots and agents will have instant access to the same knowledge, ensuring that they share consistent information while tailoring conversations to the nuances of individual customer journeys.

Harness AI to establish context

Not simply adept at matching search queries to knowledge content, leading AI-powered search solutions can understand the context behind an issue. They can analyze a situation to determine who the searcher is, what they are trying to achieve, and which search results are most appropriate and valuable for that intent.

This further enhances experiences, as it helps customers and agents more quickly and accurately zero-in on the most useful information in real-time. Instead of reviewing dozens of *potentially relevant* answers to their question, they will advance directly to the *right* answer.

In some cases, the AI solution can eliminate the need to search altogether. By interpreting data about customers and their intentions, it can proactively provide knowledge through features like query suggestions and recommendations.

“AI can help by gathering interaction data from across the entire digital journey, and using insights to personalize the search experience in real time, continuously learning from every interaction.

“The most modern solutions can also proactively recommend content based on each individual’s previous interactions, so that customers and agents can find what they need without even needing to search,” - Colin Strachan, Coveo

The personalization benefit does not stop there; when agents do not have to exert as much effort on searching for answers, they can focus on delivering those answers in a way that communicates empathy, warmth, and respect for the customer.

Build a knowledge-centric culture

Unifying knowledge sources and improving the search experience is for naught if brands do not continuously strengthen the quality and relevance of their knowledge content.

This process requires buy-in and participation from all relevant stakeholders. Agents cannot view capturing knowledge as a set of antiquated “rules” they have to follow when supporting customers. Instead, they should see it as a source of empowerment – as a way to provide the most relevant and valuable support possible.

This perspective is only possible when agents not only feel as if they have a voice in the knowledge management process but can take an active role in creating content. When they are able to recommend content upgrades, share methods of streamlining certain processes, or score the relevance of search results, they know that the business wants to make knowledge *work* for the frontline. And since frontline agents also have unique insight into which content is most and least relevant, encouraging their participation is a surefire way to improve knowledge quality.

“Knowledge management methodologies, such as Knowledge Centered Service (KCS), teach agents how to capture, update, store and retrieve knowledge in a way that keeps content quality high. Effective processes and a strong knowledge-sharing culture are just as important as AI-powered search in creating a personalized and effortless customer experience. “They also better equip companies to practice more modern support models, such as swarming.”

- Colin Strachan, Coveo

Not simply about engaging frontline call center agents, a knowledge-centric culture encourages collaboration across the entire business. “Product knowledge,” for example, cannot solely be the concern of the engineering team that designs the product. Instead, it should have input from marketers and salespeople who need to highlight the best features, as well as support agents who need to know how to fix the most common technical issues.

Measure the search and knowledge experiences

The best-laid plans of mice and men often go awry. The most advanced search and knowledge initiatives, meanwhile, make no guarantee of instant success.

The truth is that search experiences will not always be perfect. The knowledge users reach from searching, moreover, may not be exactly what they need to properly solve specific issues.

To uncover and remedy these issues, it’s imperative to choose a search platform with strong analytics capabilities that enable *measuring* the efficacy of search and knowledge experiences. With full visibility into how easily agents can access information, which queries are most and least common, and which answers tend to have the most dramatically positive (or negative) impact on customer satisfaction, brands can strategically refine search processes and more intelligently design and classify their knowledge entries.

Strachan outlined several metrics support leaders can use to validate their self-service and knowledge management efforts:

“One of the longest-standing indicators of positive ROI is case deflection. Most companies are able to estimate the cost of a support case, and can therefore put a dollar value on the ability to reduce case numbers with effective self-service.

“Mean time to resolution (MTTR) is another KPI that can often be assigned a dollar value – one that intelligent search and recommendations are proven to improve.

“Content gap is yet another important knowledge management metric. This shows where customers, and agents, are searching for content and not finding it, and helps companies to pinpoint causes of frustration and wasted time. These insights can be assessed using search analytics, and they should become the basis of a knowledge management strategy.”

By bringing in search early in a knowledge management strategy, you can start optimizing before your knowledge is 100% perfect because those insights can inform the changes you need to make.

Adopt platforms that learn and empower over time

By supporting a unified approach to search, developing awareness of customer context, and gathering insight into knowledge management performance, AI-driven platforms can understand search behavior. They can also answer pressing strategic questions, such as which results are connected, which searches are most common, and which intelligence is most useful for given customers and agents.

Not simply reporting tools, these AI-driven platforms can *empower action* based on the findings. They can recommend – if not automate – essential content creation, while also proactively surfacing key results during key moments of the customer journey.

Beyond supporting more relevant conversations, this intelligence can provide a window into which product features, support processes, and operating procedures are most and least effective. From there, brands can make wholesale improvements to their entire customer contact (if not overall business) operation.

INTELLIGENT SEARCH EMPOWERS AGENTS AND CUSTOMERS

Customers that engage with a self-service platform may have little, if any, “inside” information about the inner workings of product and brand. They do not necessarily understand all the policies, they do not likely speak all the lingo, and they do not always know the best possible outcome.

Intelligent search *corrects* for these gaps by using the power of AI to bring the best possible information to the customer. Customers will neither have to repeatedly rephrase their search queries or settle for generic answers. They can simply state their problem and access a convenient solution on their own terms.

And when they do need to escalate, they will not have to repeat information and then wait for the agent to deal with their own search experience woes. Instead, they will reach a supportive employee who has instant access to the right answers.

Not the product of fantasy, this framework is the reality for many organizations that have partnered with Coveo to elevate their search experiences. Example success stories follow.

Company: Salesforce

Challenge: A large number of different web properties, but disjointed experiences across all of them.

Solution & Result: Implemented Coveo across nine different use cases, improving self-service, contact center interactions and driving more app installs on their marketplace.

- Self help success rate +90%
- Agents use content recommendations 75% of the time – saving time on manual searches
- Highest CSAT scores ever
- 17% increase in app install clicks on AppExchange Marketplace

Company: Palo Alto Networks

Challenge: Company was growing 30% YoY. Shift in business model towards subscriptions with a rapidly expanding portfolio. Customer service was difficult to scale without sacrificing quality, because knowledge was fragmented across multiple channels.³

Solution & Result: Implemented Coveo across multiple channels to drive improved self-service.

- 10%-20% improvement in case deflection
- Estimated \$200M saved in two years, \$60M from explicit case deflection



TRANSITIONING TO DIGITAL-FIRST CX

Customers are increasingly relying on digital for seamless, convenient and streamlined support. When using digital channels, customers are able to quickly address their issue with convenient options and simplified conversations. However, the digital era has prompted a desire for more meaningful communication and support on digital. Beyond just the convenience, many customers are seeking all-encompassing personalized experiences on digital.

According to recent Five9 research, digital preference increased by 26% in the past year. With this growing adoption of digital across demographics, companies are going full speed ahead with digital experiences. However, this consumer-driven pressure may have caused organizations to quickly expand digital initiatives rather than focus on putting the right technology in place.

This rushed deployment is also leading to less than stellar experiences on digital channels; CCW Digital research confirmed that as few as 10% of customers saw meaningful improvement in experiences over the past year. Companies promoting inefficient digital options that fail to meet customer needs are fueling a hesitation toward digital and complicating experiences over the long term. If companies want to establish effective digital experiences, they must prioritize a digital-first strategy.

With digital-first values, companies can support tailored interactions that exceed modern expectations. Creating a seamless experience, connected across all touchpoints, will empower customers to engage intuitively and effectively.

Understanding Digital-First CX

The digital-first approach to CX is not synonymous with a digital only strategy. Today's customers expect access and choice; if they want to engage with an agent, they want seamless escalation, if they require a quick response, they want a digital option to rely on. While some organizations may take a digital-first approach literally, strategic organizations ensure an exceptional experience across all touchpoints.

The digital-first approach, then, is a commitment to delivering an optimized experience across digital channels. Ensuring that every component of the digital experience, from start to finish, is curated in a way that feels intuitive and effortless for customers is paramount to an effective digital-first strategy.

Richard Dumas, Vice President of Product Marketing at Five9, echoes this sentiment stating, "Brands that ignore demands for channel choice will struggle to retain customers and grow. Those that respect their customers' choices will thrive. However, there are some obstacles to overcome when expanding channel options, especially if there is a need to act quickly."

Giving customers the autonomy to engage seamlessly on every channel is necessary to remain competitive in 2022. As customers weave increasingly complex journeys, companies must be equipped to deliver flawless support at every new touchpoint. Promoting a digital-first strategy should be the first consideration for achieving this level of omnichannel experience.

Challenges to Achieving Effective Digital CX

As stated, there are plenty of challenges when it comes to expanding channel options. With more outlets for communication, come more opportunities for friction. However, a digital-first strategy can assist organizations in designing a functional and deliberate digital experience, fit for the modern customer.

CCW Digital research confirms that 44% of organizations are using digital-first features, but as few as 11% are very frequently relying on uniquely digital tools to enhance their customer experience. Without the resources to effectively integrate digital channels, companies are not leveraging digital to its full potential. Further, without access to comprehensive digital-first features like proactive or predictive communications, there is less incentive for customers to engage digitally.

Currently, the leading challenge preventing a digital-first approach is a lack of connectivity between channels. Only 37% of organizations stated they have worked to improve the integration or connection between their channels. When introducing new outlets for support, companies must ensure a seamless flow of data across all aspects of the experience. Digital experiences that feel entirely separate from the traditional, and still popular, phone or email experiences frustrate customers and feel impersonal.

Richard Dumas states, "Customers expect a connected, rewarding experience across self-service, digital, and voice. Not a series of disjointed experiences that only serve to frustrate. Many businesses struggle to deliver this satisfying digital-first, omnichannel experience."

To avoid this disconnect, companies must have the right combination of planning, strategy and technology. With a plan set in place, organizations can establish a digital-first experience that meets rising expectations.

Technology for Digital-First Success

With 69% of companies marking ease of use engaging on digital channels as the most important factor for creating more digital customer trust and satisfaction, it is clear that accessibility must be prioritized. An omnichannel cloud contact center system can support the digital-first initiative and promote a more seamless experience across all channels.

Dumas shares that, "A comprehensive omnichannel cloud contact center system helps customers overcome obstacles to expand channel options and deliver a satisfying service experience to their customers. Unified deployment, interaction handling, reporting, and administration functionality across voice and digital channels make it easier and less resource-intensive to add or expand channels. Tight integration between channels, including voice and digital, helps create a seamless service experience for customers."

With a unified contact center platform, agents can engage with customers across channels all in one place. When agents have access to critical insights during their voice and digital interactions, they can effectively support customers throughout their journey. Further, they can engage in a more intuitive way to create a seamless experience for customers. For example, sending a confirmation via SMS while engaging over the phone. This gives customers the flexibility to engage how they choose, while still leveraging convenient digital elements.

AI and Automation

While we have seen an increased adoption of AI, many organizations are not realizing the full benefits of the sophisticated technology. Heightened expectations and a lack of strategic planning have left companies underwhelmed with the results of their investment. To avoid this, companies must implement practical AI solutions and align their strategy and message with the goals of the greater organization.

Dumas states, “Great technology that’s too difficult to deploy will never reach your workforce and will never improve your service experience. To deploy AI that amplifies the abilities of humans in the contact center, a new generation of tools is required.” He also suggests that companies leverage AI with flexibility, ensuring that users can switch between underlying platforms at any time.

Once implemented, companies can employ a digital-first strategy that addresses agent needs and optimized efficiency. Tools like agent assist allow employees to focus on the customer, providing them with real-time guidance and support as they engage with customers. Regardless of the channel, agents will be equipped to deliver personalized support and connect with customers rather than focus on technology inefficiencies. AI-infused agent assist empowers employees with coaching, automates note taking and surfaces key insight to ensure a seamless experience for the agent and customer.

Beyond real-time guidance, agents also benefit from workflow automation features. As we see the role of the agent become more complex, companies must ensure agents are spending their time on the most important aspects of the customer experience. Workflow automation can eliminate low-value tasks and give agents the autonomy to focus on customer interactions. Companies can automate tasks, provide proactive outreach and move agents between skills to assist with volume traffic, all with effective AI. This is critical for future experiences — as CCW digital confirms that process automation and the elimination of simple tasks will be the most profound impact of AI by 2030.

Optimize Self-Service

According to customers today, self-service isn’t reliable. Five9 research found that only 10% of customers fully resolve their issues through self-service. When they begin an experience using a chatbot or IVR, more often than not, they are ending it with a live agent. This places strain on the agent, facing frustrated and unhappy customers, and increases inefficiency across the customer journey. To improve, companies must focus on optimizing self-service with a more human approach.

With clearer conversational design, companies can remove touchpoints that create frustration and contain customers within digital channels. According to Richard Dumas, “Most companies today have a strategic focus on improving the self-service experience by adding AI. So companies are selecting IVAs and chatbots that leverage advancements in NLP, automatic speech recognition, and text-to-speech to deliver more conversational, human-like, and effortless self-service experiences. More importantly, these technologies provide a smooth path to escalate to an agent.”

To further improve, companies can collect customer feedback after escalation. If a customer is transferred from the IVA or bot, agents can ask them what went right and wrong with the interaction. Understanding the customer journey and every point of friction throughout is key to iterating and improving the technology over the long term. While it may be unrealistic to assume self-service can contain every customer concern, companies can continually make the technology more intuitive. With a seamless self-service experience, companies can direct their agents to the most complex cases while maintaining a digital-first approach.

Company: Pilot Freight Services

Challenge:

- ~56% call abandonment rate
- Long hold times
- Complex issue-resolution process

Solution & Result:

- Deployed Five9 IVA
- Lowered call abandonment rate to ~2%
- Fully resolved 45% of calls with IVA
- Achieved 44% cost savings in the contact center

Company: Alivi

Challenges:

- Employees’ selection of an incorrect IVR option routes calls to an incorrect contact center, requiring a transfer to the correct contact center
- Increased telco charges
- Inefficient use of agent resources
- Caller frustration from repeated transfers

Solution & Result:

- Provided self-service options with AI technology
- Scaled with ease
- Empowered and enhanced agent efficiency
- Offered on-demand detailed reporting for management saving hours a week for the team



UNIFY, ENHANCE, UNDERSTAND, EVOLVE - 4 KEYS TO MODERNIZING SERVICE EXPERIENCES

Talk about “competing on the customer experience” and “putting the customer at the center of strategy” is not translating into results. Only 10% of customers feel experiences have meaningfully improved over the past year, only 15% feel their typical brand interaction is sufficiently personalized, and the majority still face long wait times and complicated journeys.

The good news is that brands do not have to settle for this sobering reality. Thanks to advances in artificial intelligence and growing support for omnichannel engagement, companies have an unprecedented opportunity to tailor experiences to customer needs in an efficient, scalable manner.

Success will not, however, come by virtue of technology alone. Companies will instead have to follow sound principles for creating an operational environment that supports the impact of new solutions and strategies. They will have to put customer centricity at the root of their service experience strategy.

This briefing details four key principles – unify, enhance, understand, and evolve – that heighten the chance of a successful transformation.

KEY #1 | UNIFY

Today’s customers place a significant premium on seamlessness. They want to be able to start, stop, and continue conversations without missing a step. They also expect to move between channels without having to repeat information, re-authenticate, or deal with other undue sources of effort.

No matter where, when, or why they choose to connect, they want to know they are talking to a single brand – with a consistent commitment to delivering exceptional support.

This demand for frictionless end-to-end experiences is by no means a secret, but few companies are successfully rising to the occasion. Customers continue to identify long wait times, convoluted journeys, repetitive questions, and trouble finding the right contact as the most *frequent* “pain points” they experience when interacting with brands.

What will it take to finally eliminate these lingering points and deliver the seamless journey customers are expecting? The answer is adopting a commitment to a truly unified service operation.

“The next big obstacle for CX is ensuring the seamless and consistent sync between platforms, channels and devices. In a world where everything is on demand and instant, having any friction while searching for support will impact brand loyalty. Making the journey frictionless & easy will keep and grow a customer base in a competitive landscape.” – Bob Farshi, Senior Vice President, Customer Operations, eClerx

Naturally, this includes adopting an omnichannel contact center framework that allows customers to swiftly move between channels. The platform also ensures agents can support multiple channels without having to access disparate systems.

It also involves unifying data sources to provide a 360-degree view of customers and their experiences. Every touch point, whether handled by a bot or a live agent, should have seamless access to relevant customer records and accurate company knowledge.

Not simply a technology play, the unification hinges on aligning all key departments – and their individual people and processes – around the notion of customer centricity. If different teams are not openly collaborating to achieve a shared purpose, fracture points will inevitably emerge throughout the journey.

KEY #2 | ENHANCE

Unifying the experience is a pivotal first step, but it is not transformative in its own right. If a brand is simply “connecting” a series of impersonal, transactional service experiences, the customer will see little benefit. They will still feel as if they are interacting with a brand that *sells products* as opposed to one that *delivers value*.

Successful brands, instead, leverage their newly aligned service operation to enhance the customer experience.

One obvious example includes leveraging CRM data and real-time “agent assist” solutions to help agents anticipate needs and personalize experiences. With instant access to 360-degree insights about customers and their issues, agents can spend less time asking questions or searching through knowledge bases and more time *using* that intelligence to form meaningful connections.

Beyond augmenting agent-led interactions, modern AI solutions can markedly elevate self-service.

“Embracing & investing in digital and self-support channels as options for consumers who prefer nontraditional methods of support will simply elevate the experience in a meaningful way. For example, offering chat & voice virtual assistants that are fully integrated into your CRM which will drive a customized interaction. Alternatively, creating and consistently updating a library of self-support videos that are easily accessible via all platforms and channels” – Bob Farshi, Senior Vice President, Customer Operations, eClerx

By providing chatbots and IVR platforms with the ability to understand natural language and access robust data about customers, AI transforms self-service from “static FAQ pages” into a conversational, convenient, personalized option for helping customers achieve real resolutions on their own terms.

Conversational AI also helps bots capture meaningful intelligence from self-service interactions, ensuring a seamless handoff in the event the customer does ultimately choose to escalate to a live agent. In the long run, this intelligence can help companies better tune their bots, better identify the best self-service use cases, more effectively route customers to the right agent or channel, and ultimately strengthen customer journeys.

KEY #3 | UNDERSTAND

Customer centricity is an outside-in endeavor; it is the consumers themselves, not those sitting in the corporate boardroom, who should be dictating what happens throughout the journey.

Unfortunately, the typical brand lacks sufficient understanding of what customers want from the experience. A staggering 90% of organizations report issues capturing intelligence, citing challenges like trouble capturing data, difficulty unifying and analyzing insights, or ineffective strategies for putting data into action.

A modernized service experience addresses these gaps, pairing customer-centric thinking and technology to understand customer personas, preferences, intentions, expectations, and sentiments.

“Each consumer now expects a personalized interaction as the inherent tradeoff for their data privacy compliance. Gathering, sorting and then outputting the data in a meaningful manner helps drive the customer experience with not only the product, but also when it’s time to support the customer.” – Libin Benny, Senior Vice President – Analytics & Technology, eClerx

Valuably, the aforementioned two steps assist with the understanding phase. When brands unify their touch points and then *leverage* that omnichannel framework to create more engaging experiences, they open the door to far more useful and actionable intelligence.

Brands with a singular view of the customer experience – including “external” channels like social media – gain a more thorough understanding of specific customer demands. They understand which product offerings and service experiences make or break customer loyalty, positioning themselves to maximize customer loyalty while minimizing the cost of unnecessary service.

Equally importantly, they learn what drives customers to switch channels throughout the journey – and what the experience entails. This information can be vital for contextualizing customer sentiment (was it the phone call that made a customer unhappy, or was it the convoluted process of *getting* to the live phone agent?), while also improving journey orchestration.

AI technology plays a vital role in this process, providing an efficient way for companies to unify, analyze, and then operationalize insights from all customers, interactions, and channels.

KEY #4 | EVOLVE

Customer-centric brands are not simply seeking a list of challenges and opportunities. They aim to *use* that list to drive significant, and continuous, improvement in all facets of their customer journeys.

Democratizing data plays a pivotal role in the transformation process. Insofar as multiple departments may be responsible for improving the experience, all key stakeholders need visibility into what is going wrong – and what could be going better.

Leading brands also establish metrics that speak to *value creation* rather than *cost containment*. A 20% reduction in inbound call volume might, for example, imply that customers are increasingly using self-service platforms. If, however, the brand is simultaneously witnessing a 10% decline in renewal revenue, it might surmise that its new chatbot – those good enough to “solve problems” – is not creating the most engaging possible experience. The brand would consequently know to either refine the bot experience or ensure a certain subset of customers has a direct pathway to live agents.

“Seeing contact centers as cost centers rather than customer experience centers is one of the biggest misses for most businesses. Utilizing data and feedback contained within each interaction will help solve the actual pain points on the customer side as well as the care support, product and marketing side rather than relying strictly on survey data. Survey data is the end product and not the actual journey” - Kimberley Dye, Vice President, Customer Operations, eClerx

Although successful transformation is a continuous, data-driven process unique to specific brands and their specific customers, all can benefit from adapting to macroscopic trends. The universal rise of low-touch digital interactions, for example, means the calls that do reach live phone agents will be more complex and unpredictable. It will take a higher-caliber agent, backed by more empowering tools, to meet this expectation.

As a result, savvy companies are already recruiting, training, and managing based on this higher standard.

“Aligning the hiring profile with the brand voice and supporting agents that are users/fans of the product/service offered does make a truer connection with the customer. Truly empowering and trusting your staff to do the right thing for both the business and the customer simply equates to a more effortless and positive experience” - Kimberley Dye, Vice President, eClerx Customer Operations, eClerx

UNLOCK THE VALUE OF YOUR SERVICE EXPERIENCES

Yes, the aforementioned four steps will reduce the costs of your service experience. Unifying your operation will minimize the friction and inefficiencies inherent to fragmented systems and processes. Enhancing customer experiences will reduce the need for frustrating (and costly) escalations or callbacks. Understanding customers and their journeys will provide the intelligence needed to anticipate and proactively resolve many issues. Committing to evolution will ensure the business quickly and continuously addresses any performance gaps.

Successful brands do not, however, see modernizing their service experiences only as a way to reduce costs. They also see the *value* that will come from unifying operations to deliver more personalized and relevant support at all terms. Customers will reward this demonstration of value with future spending and advocacy. Employees will reward this demonstration of value with their ongoing loyalty and motivation.

Indeed, the transformation from “cost center” to “profitable customer experience center” will come to fruition.



HOW A DIGITAL CONTACT CENTER DRIVES SAVINGS AND ROI

CONTACT CENTERS HAVE A CHOICE — GO DIGITAL OR FALL BEHIND

There's a massive digital revolution underway that has changed consumers' expectations about service — and organizations are working hard to keep up. **82% of brands** say they must transform their customer service in order to stay competitive.

But transformation can be messy, and many brands struggle to see their investments actually improve the customer experience. After \$4.7 trillion was spent on digital transformation from 2014 to 2019, only **19% of consumers** noted a significant improvement in their experiences. For contact centers, that challenge is best illustrated by the number of leaders that still feel unprepared. By 2021, only 18% consider themselves truly omnichannel, and only **13% believe they're successfully using automation.**

How can brands digitize their customer engagement systems, and ensure their transformation actually makes an impact on operational efficiency and customer satisfaction?

Khoros partnered with Hobson & Company, a leading research firm specialized in Return on Investment (ROI) studies, to explore the challenges brands are facing when modernizing their contact centers and digital engagement strategies.

Hobson & Company conducted independent research — including impartial interviews with Khoros customers — to validate the benefits and ROI that brands using Khoros have observed. This third-party research can be found throughout this paper, highlighting specific use cases and their impact, ultimately concluding that Khoros offers a proven digital service and support solution that delivers quick and compelling ROI.

THE 3 BIGGEST CHALLENGES

When CCW (Customer Contact Week) Digital surveyed leaders for their 2021 State of Contact Center Technology, **they asked:** Which of the following contact center technology challenges are you currently facing / do you imminently expect to face?

- 1 **Lack of unified channels:** Managing individual channels natively or in multiple separate platforms is inefficient and risky. This approach makes it difficult to route and prioritize engagements to deliver good experiences, and makes it easier to miss public posts that may damage brand reputation.
- 2 **Under-utilized AI:** Only a small percentage of contact centers use AI to assist human agents, and even fewer use customer-facing chatbots. Without AI, classifying conversations requires significant manual effort, agents must spend more time on repetitive tasks, and customers have fewer self-service opportunities.
- 3 **Inefficient agent tools:** Agents need a single, easy-to-use platform with guided workflows and tools that reduce effort. Screen-switching and chair-swivelling slows agents down, and complicated platforms can hurt employee satisfaction and increase churn.

DEFLECT CALLS

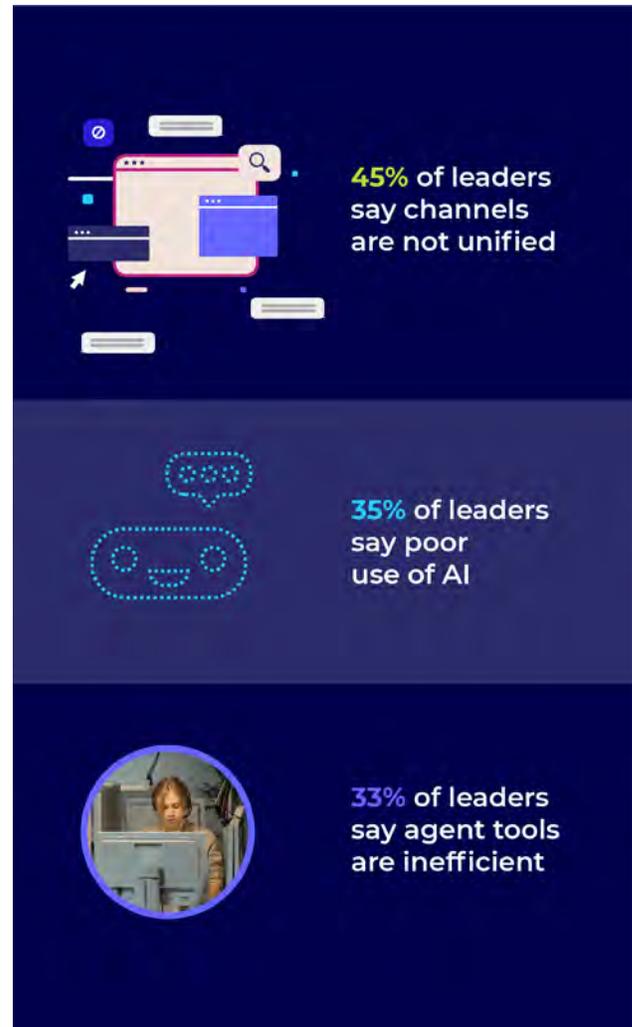
Deflect with a self-service community

Khoros enables organizations to scale self-service and collaboratively build customer knowledge in a centralized location, where trusted answers can be found quickly and interactively, any time and in any region. Community pages dominate search results and resolve a high percentage of inquiries without requiring customers to engage the brand — reducing inbound contacts like calls and emails.

Deflect with messaging

By converting traditional voice calls to messaging, brands shift conversation volume into asynchronous channels (where customers can respond at their convenience, like text messaging) with greater efficiency and concurrency, reducing the number of repeat conversations and requiring fewer agents to handle the same volume.

Khoros enables IVR deflection from brands' toll-free numbers to messaging channels, and best practice for messaging channel promotion and entry points that can shift a percentage of customer inquiries from calls to messaging conversations.



5% call reduction on average

Midco reports 20% reduction in 1-800 number call volume, 73% increase in call deflection. [Read the story.](#)

What is messaging?

Messaging is a set of channels where brands and customers can communicate with each other. The most common messaging channel is SMS or text messaging, however, messaging can happen on any digital channel where your customers already spend their time and it's expected that dialog can flow both directions.

CONTAIN WITH CHATBOTS

A chatbot can automate and resolve entire conversations, or enter mid conversation to handle a time-consuming process like collecting information or troubleshooting. Khoros uses natural language understanding (NLU) to determine

customer intents and respond to common, predictable inquiries so that agents can focus on more complex, higher value tasks. By containing full and partial conversations, Khoros saves agent time, adding capacity and efficiency to brand operations.

25% efficiency increase on average

- Midco reports 14% increase in capacity of existing team
- Samsung Benelux reports 40% increase in capacity of existing team

Calls are expensive. The median inbound call costs \$5.50.¹

\$3.65 per messaging conversation
(34% cheaper than a phone call)²

\$0.10 per self-service journey
(99% cheaper than a phone call)²

The Khoros platform gives agents the ability to efficiently handle and resolve more customer conversations with smarter workflows and higher quality outcomes all from a single console. In addition, advanced workflows automatically filter, tag, prioritize, and route to the most appropriate work queue or agent for a prompt resolution.

Agents using Khoros also have substantial AI & automation tools available; welcome responses can engage customers to efficiently greet and set expectations, and agent-facing bots can suggest the best responses with machine learning to improve over time.

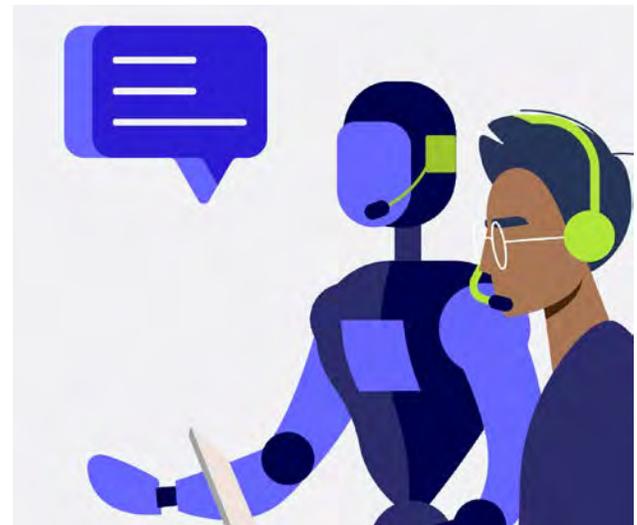
30% efficiency increase on average

- “Each social interaction costs \$0.82, and the average cost across other channels is \$3.00/interaction.”
- “We are very interested in moving more customers to social because the cost to serve a customer socially is roughly half the cost of other channels, like phone, email, and chat.”
- “Due to the asynchronous nature of social, we can handle an average of 8-20 customers at a time vs the synchronous chat which averages 3 customers at a time.”

— From a sample of actual results from Hobson’s independent ROI research with Khoros customers

Happier agents lowers attrition

Traditional customer service channels experience costly attrition rates as high as 80% to 100% per year. Khoros provides a modern, digital care user experience to agents with the ability to fluidly engage across all touchpoints, ultimately reducing turnover rates. The intuitive agent dashboard consolidates channels, eliminates screen-switching and chair swivelling, equips agents with AI-powered widgets — all in service of creating happier agents.



SERVE WITH AI-ENHANCED, OMNICHANNEL AGENTS

More efficient workflows

Digital conversations have experienced massive growth over the past few years and managing different workflows and processes across all of the different channels is inefficient. Khoros supports the asynchronous nature of messaging, so that contact center agents are able to handle four times the volume of a phone or legacy chat agent.



50% reduction in agent attrition on average

- “The difference between social agent attrition and traditional agent attrition is astronomical. Our traditional channels experience attrition rates of 6–10% per month, and it is less than 1% for social.”
- “My turnover rates are definitely lower because agents are happier with a tool that is easier to use.”
- “We definitely have a lower rate of attrition on the social team [than traditional channels]”
- “Our very low turnover rate is proof that we have an improvement in employee satisfaction.”
- “The digital teams have way lower attrition than the phone team and employees tell me they prefer social over live chat. Our attrition rate with phone agents is 20% and live chat agents is 7.5%, with no turnover from the social agents.”

— From a sample of actual results from Hobson’s independent ROI research with Khoros customers

Better customer experiences

Positive customer experiences are known to increase customer satisfaction, loyalty, retention, and average lifetime value. People want to connect on their channel of choice and at their own pace. Customers don’t want to search for and call toll-free numbers only to be put on hold.

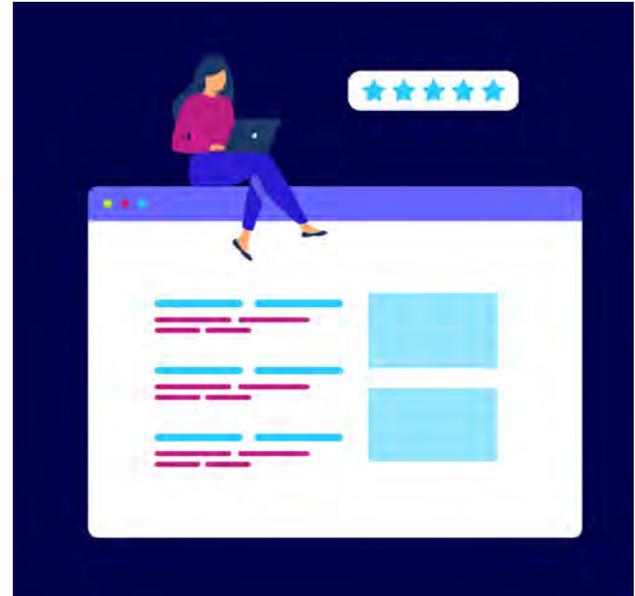
Khoros determines which posts are actionable and then prioritizes and categorizes them to be handled by the appropriate team. In addition, agents are able to tag inquiries as they come in so that they can be responded to efficiently and effectively leading to higher quality outcomes. Khoros improves customer satisfaction by offering customers’ preferred, more convenient messaging channels and by resolving customers’ needs quickly, easily, and personally.

2% increase in average customer lifetime value

- “Having the secure message bridge between us and the social platforms allows us to bring users into our controlled tool, so customers feel more comfortable and secure which improves CSAT.”
- “We determined early on that the only meaningful social response was one that behaves the same as when people use social casually, which is more or less immediate. Prior to having Khoros, it was difficult for us to have a real-time interaction. Khoros is valuable because it allows us to have that real-time interaction.”
- “Khoros does a good job at humanizing the responses by pulling a name and photo from the social page, which helps our agents empathize more with the customer when thinking about responses. This functionality is not available from their competitors.”

Optimize with CX Insights

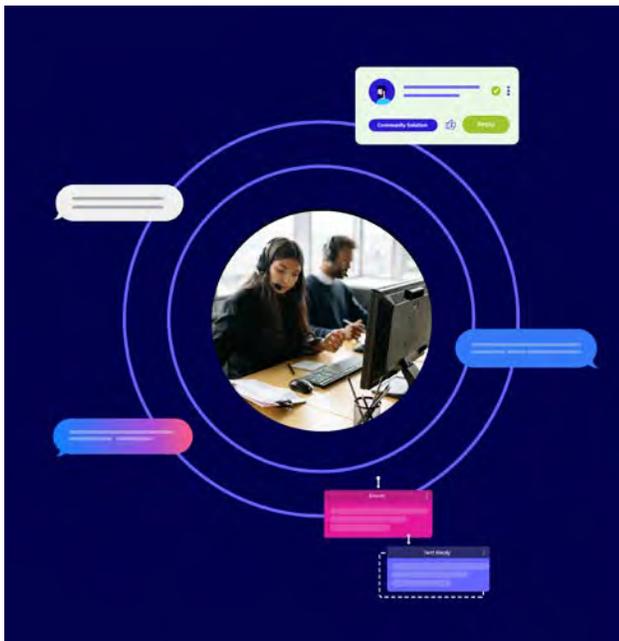
Khoros CX Insights sits on top of all of a brand’s communication platforms to provide a single view of all customer engagement. It delivers comprehensive voice-of-customer analysis by aggregating, normalizing, and analyzing conversations on every channel, then uses machine learning to identify patterns that correlate to business outcomes like customer retention and revenue growth.



CX Insights assembles an omnichannel data platform that brands use to easily surface themes, trends, and patterns of customer friction points. Once friction points are identified, brands proactively work to solve them at the source, thereby reducing contact and improving agent efficiency. In addition to finding friction, the platform can inspect trends in customers’ journeys to identify enhancement opportunities for product, marketing, service, and sales teams.

- 8% reduction in call volume
- 6% reduction in average handle time
- 1% increase in customer retention

— From a sample of actual results from Hobson’s independent ROI research with Khoros customers



Khoros’s award-winning customer engagement platform helps over 2,000 global brands, including one-third of the Fortune 100 companies, create customers for life. With over 20 patented technologies, Khoros connects every facet of customer engagement, including digital contact centers, messaging, chat, online brand communities, CX analytics, and social media management. Combined with our top-rated services, the Khoros platform enables brands to connect with customers throughout their entire digital journey.

For more information, visit [khoros.com](https://www.khoros.com).

APPENDIX



-  **How Midco Used Khoros Care to Improve Customer Satisfaction and Deflect Calls**
-  **How Google's Business Messages helped NAB serve more customers digitally**
-  **The Digital Service Funnel Guide: 4 steps to effectively manage the customer journey**

2022 EDITORIAL CALENDAR

JANUARY

State Of Contact Center Technology



FEBRUARY

Strategic Planning For CX Operations

February 9-11, 2022

MARCH

Customer Contact Industry Review



APRIL

State Of Contact Center Technology

April 6-8, 2022

JUNE

Customer Experience Trends, Challenges & Opportunities



MAY

New Standards For Customer Contact Performance

May 25-27, 2022

JULY

Modernizing Service Experiences With AI & Digital

July 20-22, 2022

AUGUST

Modernizing Service Experiences With AI & Digital

TBD

SEPTEMBER

Customer Experience Trends, Challenges And Innovations

September 14-16, 2022

SEPTEMBER

Smart Contact Centers

TBD

OCTOBER

Business Continuity 2.0

October 26-28, 2022

NOVEMBER

Future Of The Contact Center: A Forecast

TBD

DECEMBER

Future Of The Contact Center: A Forecast

December 14-16, 2022

MEET THE TEAM



Brian Cantor

Principal Analyst, Director

CCW Digital

E: Brian.Cantor@customermanagementpractice.com



Andy Kuang

Senior Marketing Manager

CCW Digital

E: Andy.Kuang@customermanagementpractice.com



Melinda Acuna

Marketing Assistant

CCW Digital

E: Melinda.Acuna@customermanagementpractice.com



Emily Dunn

Senior Marketing Manager

Customer Engagement Insider (CEI)

E: Emily.Dunn@customermanagementpractice.com



Simon Copcutt

Head of Strategic Accounts

CCW Digital

E: Simon.Copcutt@customermanagementpractice.com



Brooke Lynch

Analyst

CCW Digital

E: Brooke.Lynch@customermanagementpractice.com



Ray Weiss

Analyst

CCW Digital

E: Ray.Weiss@customermanagementpractice.com