NTT

2021
Global Customer Experience Benchmarking Report

Crossing the CX divide: leading from a new baseline

What analysts and customers have to say

Sheila McGee-Smith,
Founder and Principal Analyst, McGee-Smith Analytics

'The message of this year's report, leading from a new baseline, resonates so clearly with the messages I am hearing in the market. The lessons described from top customer experience performers are a roadmap for creating the seamless automated, digital and live assistance journeys customers now expect. Customer experience is being treated like the value-creator it is and companies are ramping up automation efforts and enabling employees with digital tools.'

Nancy Jamison,
Principal Analyst, Digital Transformation, Frost & Sullivan

'Once again, the benchmarking report is a critical source of validation of where the customer experience industry is headed. The COVID-19 pandemic provided unprecedented opportunity to accelerate digital transformation and improve the customer experience or fall behind, and the report masterfully uncovered this digital divide.'

Blair Pleasant,
Founder and Principle Analyst, COMMfusion

'Once again NTT uncovered trending issues and insights related to CX, identifying both the Voice of the Customer and Enterprise attitudes about CX, as well as where there are gaps and disconnects between the two groups views. The report highlights the role of human versus non-human assistance and the importance of human-centered CX design, while acknowledging that customer preferences vary based on the situation. Recognizing the important and increasing role of automation and AI for Augmented CX, NTT's latest benchmarking report will once again be the go-to source for quantitative CX data.'

Agnieszka Spolnik,
Chief Product Owner, Channel Excellence & Omnichannel Orchestration Tribe, Credit Agricole

'An essential read for ambitious CX leaders looking to elevate their CX strategy and improve their connections with their customers and employees.'

Lee Challoner-Miles,
General Manager, Integrated Channels | Digital, Operations & Technology

'A very comprehensive CX study, one point that really resonated with me was in the area of Digitisation, where throughout the period of COVID-19 continued to accelerate. However, it's clear to see from the data, customers expect support through traditional channel's so they don't end up in a digital dead end.'

Beth Parkin,
Executive Director, Service Design and Delivery, Lifeline Australia

'Overall the report surfaced some great insights. The piece that I found the most interesting and which I completely agree with, is that CX being a primary differentiator and customer expectations being higher than ever. In my view, companies need to be alive to the way customers think about CX in general, not necessarily how their company works. Customer expectations are set by the best CX performers and in most cases customers assume the same sort or ease and intuitiveness regardless of industry.'

Contents

Foreword

On the threshold of augmented customer experiences

Since the pandemic, digital disruptors have thrived and there's been a revolution in CX operating models. C-level responsibility for customer experience (CX) has doubled in the last year. There's been a transformational shift in organizational and customer behaviours, and a substantial improvement in automation. Our findings show that industry leaders and disruptors have made significant strides towards augmenting their CX capabilities, focusing on the all-important human factor and implementing technologies that enable greater agility and growth.

Customer choice, hyperautomation and a hybrid workforce now form the benchmark operating model for growth.

This year, our Global Customer Experience Benchmarking Report includes voice of the customer (VoC) feedback alongside the enterprise view of CX. This provides additional insight into how – and where – enterprises can augment human capabilities with technology to develop and execute successful CX strategies with the customer well and truly at the center.

Customers want to be in the driver's seat, to choose the way they engage with organizations and compose their own experience.

Events relating to the COVID-19 pandemic exaggerated weaknesses and opportunities in CX. While they were largely a catalyst for CX improvement, just one in three consumers interviewed for this Report rated CX as 'excellent'.

Consumers are human and need human contact at those moments of truth.

Customers expect organizations to build on the advances made in the last year by enhancing digital functionality, responding faster and offering round-the-clock availability. They also want to be given more choice and control over how they engage, and the option to communicate with another person when it suits them.

While consumers' expectations are high, reality lags, with many brands believing technology alone to be the cure. Digital and self-service channels work up to a point, but customers want a human escalation path when they don't. Our data shows that when there's a need to be acknowledged, understood or guided through a difficult decision or problem, consumers would rather talk to a live person who can provide expert advice on the complex nature of their enquiry – and see them through to resolving it.

Technology has always augmented human capability. Advances in AI, robotics and the Internet of Things, the multitude of smart devices and 5G capability promise to take this even further. Our research results indicate this will have a far-reaching impact on how we live, consume, engage and, most importantly, how we choose to express ourselves.

> **Enterprises can no longer view automation in CX as optional –** they must embrace it rapidly to remain relevant.

Digital customer engagement accelerated in the last year – more CX processes are now managed through automation and there's been a high consumer uptake of digital channels. In the next 12 months, organizations expect the majority of CX transactions will be managed through automation.

Automation influences customer satisfaction indirectly but talking to a human influences it directly. The number one factor discouraging consumers from using digital contact channels is simply that they'd 'rather speak to a human'. And 95.5% agreed (66.5% strongly agreed) with the statement 'I want to have the ability to speak with a human when I want to'.

The pandemic has also driven organizations to adapt to home-working within their operating models. They now need to balance a harmonized, digitally primed hybrid operating model that supports employee enablement through well-designed automation and well-considered technology enablement at a human level – enabling employees to deliver efficient, personalized, empathetic and differentiating CX.

This is what we mean by augmented CX: placing humans at the center of end-to-end CX design and operations, and using technology to enhance human abilities and create powerful connections for customer acquisition, retention, promotion and growth.

Rob Allman, Vice President: Customer Experience, NTT Ltd.

Key takeaways from this Report

A model for success: lessons from top CX performers

Take ownership of CX as a value-creator

CX is moving to the world of added-value and being recognized as a revenue-driver.

Companies that are growing their business are three times more likely to view CX as a primary differentiator and 50.6% more likely to have customers at a promoter level.

61.9% of industry leaders have a dedicated CX executive in place and are almost twice as likely to have aligned their CX to their business strategy.

Ramp up hyperautomation

The speed of transition is accelerating and, if left unattended, it could become an extinction event for some.

Hyperautomation brings together AI, machine learning, virtual agents and robotic process automation (RPA) to usher in the true value proposition of automation to CX.

For leaders, automation and digitization were a springboard to gaining market share. For organizations with low digital maturity, they were more about plugging the gaps in order to survive.

Industry leaders envisage 60.4% of their CX will be managed via robotics and AI automation within 12 months; for market disruptors this figure is even higher, at 65.8%.

Engage and enable employees

It's now imperative for organizations to augment their employees' capabilities with digital tools that enable them to deliver excellent human-led experiences.

Industry leaders are 27.8% more likely than the global average to have employees who are highly engaged in delivering CX. They're driving results and business growth though innovation and technology to better support CX agents.

Industry leaders and market disruptors are also much more likely to embrace new hybrid working models.

Leaders demonstrate the business value of CX strategies

Findings from this year's research show a direct correlation between the optimization of CX strategies and organizational growth. Organizations that are growing their business are three times more likely to view CX as a primary differentiator and have completed their progress towards optimizing CX. For consumers, CX is an important differentiator, and they have high expectations of the organizations they deal with. Experiences that fall short of meeting these expectations are not easily excused and will have an impact on customer retention and business growth.

Read on

Leading organizations have distinguished themselves by understanding where they can make a market impact through CX.

43.5% of organizations fully agree CX is a primary differentiator – a figure that's significantly higher among industry disruptors (64.0%) than established businesses (22.8%).

57.9% of consumers strongly agree that CX is a way for organizations to differentiate themselves from the competition.

Defining CX to deliver what customers want … and need

Our definition of CX has broadened over the years. End-to-end CX strategies now encompass an ongoing cycle of activities that drive customer acquisition, retention, promotion and business growth, as well as the role of the voice of the customer, the mobilization of personalized insights and customers' ability to compose their own engagement. CX strategies also span the physical, digital and contact center touchpoints where customers engage with an organization and its products or services.

Augmented CX frames technology to ensure both customer and employee touchpoints are optimized, and employees are well placed to meet customers' needs at those 'moments of truth'.

Augmenting CX through technology and employee enablement must therefore be factored into every part of the CX cycle.

Customer journey lifecycle

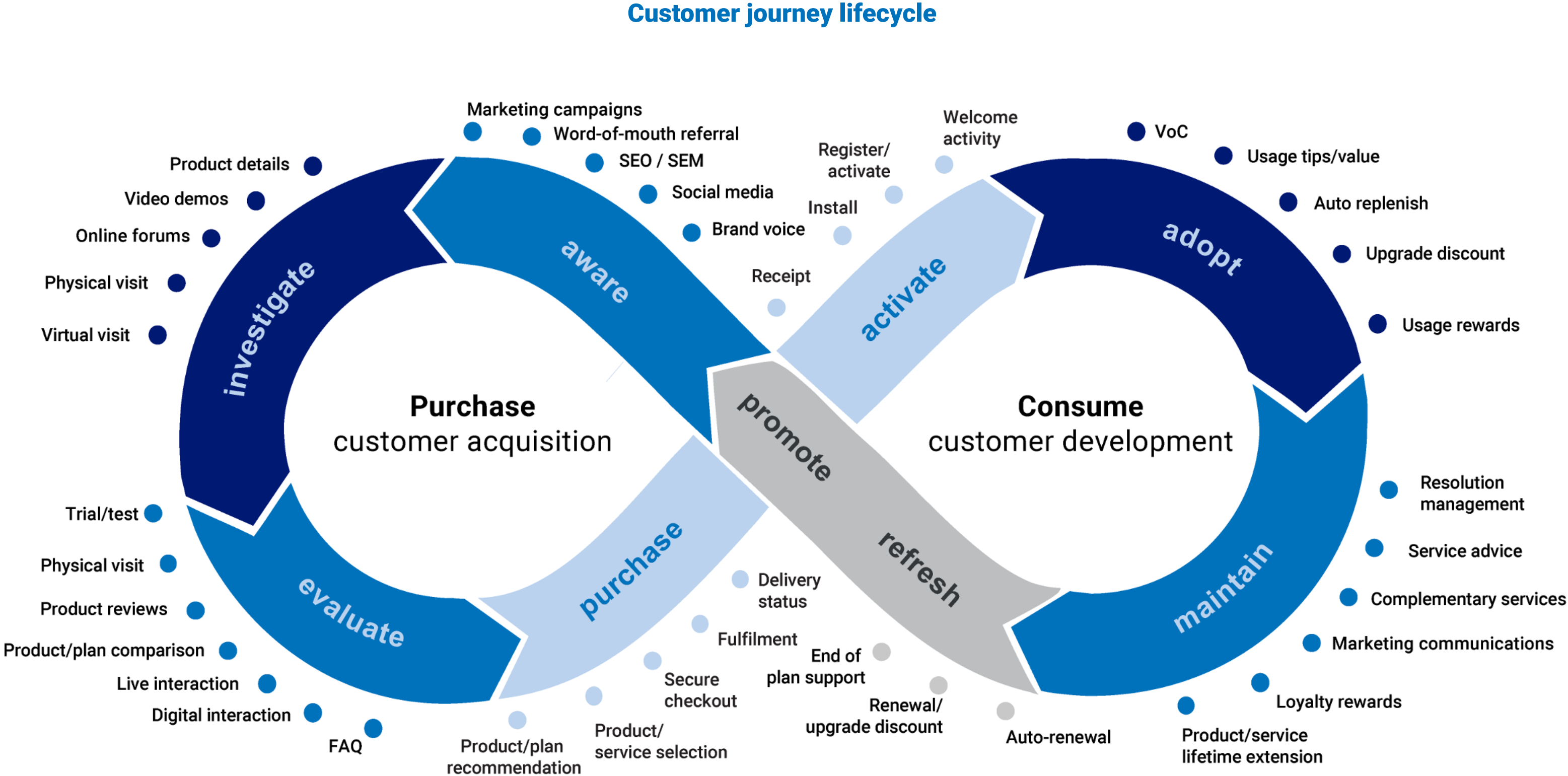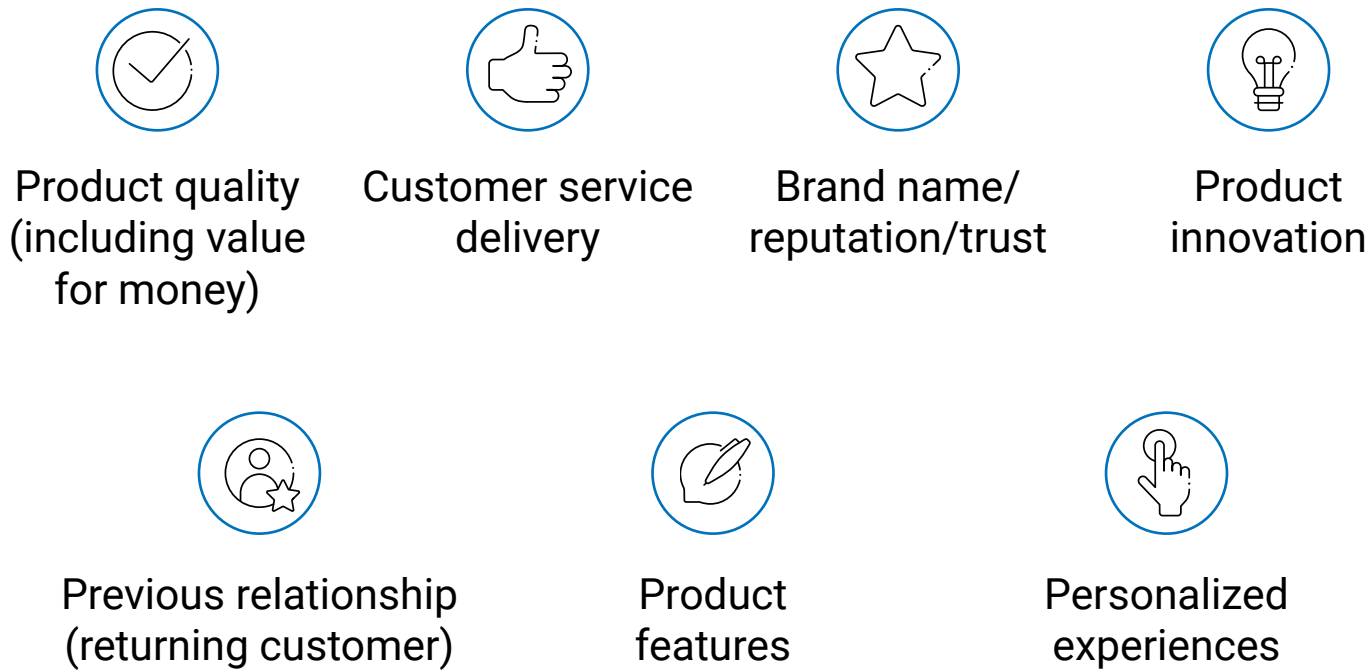*Figure 1: The NTT customer journey lifecycle management*

Regardless of where customers engage or how their personal journey unfolds from their touchpoint of choice of choice, the experiences they have should align with what they want and expect – but this is not always the case. **Our findings show there are some disparities between what organizations believe influences CX and what customers say they value.**

Top 7 factors organizations say influence their customers' overall experience

Product quality (including value for money)

Customer service delivery

Brand name/ reputation/trust

Product innovation

Previous relationship (returning customer)

Product features

Personalized experiences

Customer acquisition drivers

Top 5 factors customers say influence their purchasing decisions:

Value for money

Trusted brand

Product features/choice

Customer/peer reviews

Open, friendly communication

Earn the right: Show me the value and establish my trust

In line with the enterprise view, the main factors influencing consumers' purchasing decisions are value for money and the company's reputation as a trusted brand. Product features also play an important role, followed by peer reviews – consumers are doing their homework, and they expect organizations to do the same. 62.5% of consumers strongly agree it's important for organizations to seek customer feedback on products; 65.0% say the same for customer service.

Yet, just 47.7% of organizations strongly agree that customer insight is used to inform product and service improvement, and only 40.1% are using VoC feedback to drive innovation opportunities. Open, friendly communication, a more emotional driver, ranks higher than innovation and company ethics in influencing purchasing decisions – which shows that the 'human touch' is still an integral part of CX for consumers.
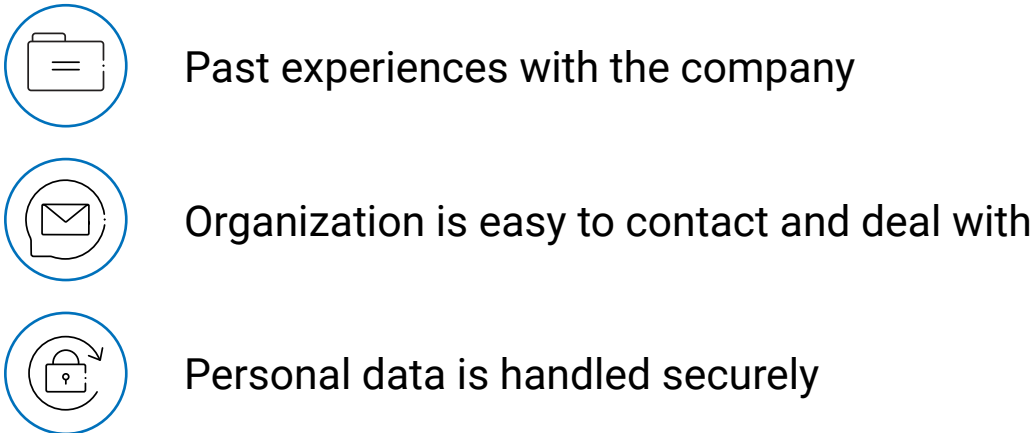
62.5% of consumers strongly agree it's important for organizations to seek customer feedback on products; 65.0% say the same for customer service.

47.7% Yet, just 47.7% of organizations strongly agree that customer insight is used to inform product and service improvement and only 40.1% are capturing VoC and using it to drive innovation opportunities.

The human touch is still an integral part of CX for consumers.

Customer development drivers

Top 3 factors customers say influence brand loyalty

Past experiences with the company

Organization is easy to contact and deal with

Personal data is handled securely

Make it easy. Be trustworthy. Be available. Get it done.

Ease of contact, responsiveness and the protection of personal data are more important to consumers (particularly those in a younger age cohort) than product innovation and personalized experiences.

44.8% of consumers prefer 'quick and convenient' to 'detailed and customized' service.

48.3% Less than half of organizations are capturing data that drives context-based customer engagements and improves the relevance of information.
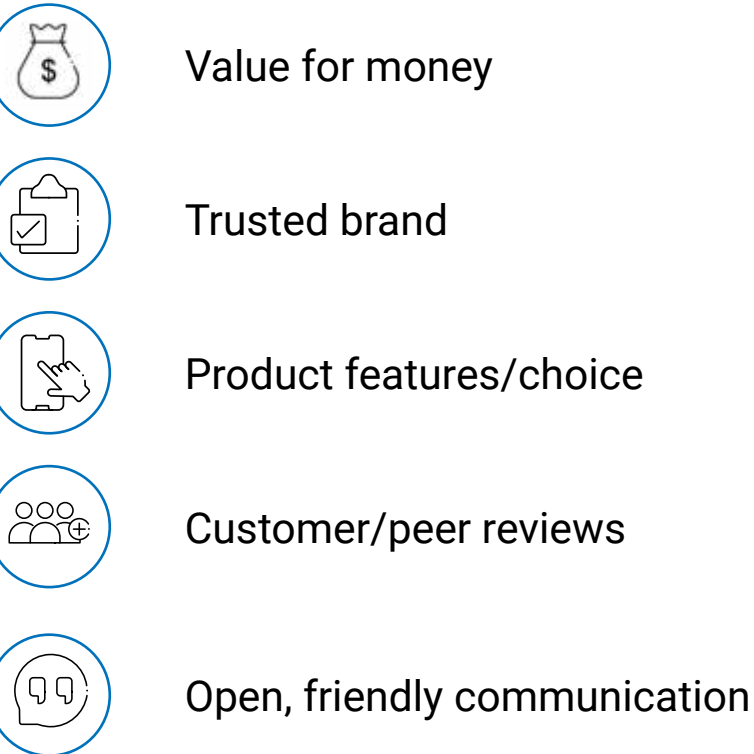
Our 2020 research revealed that, when it comes to customer satisfaction, ease of resolution still matters most. If your CX is truly effortless, customers may never actually contact a service agent. Augmenting CX through technology and employee enablement must therefore be factored into every part of the CX cycle.

Read the

Although many consumers have been comfortable with using digital channels for some time, and for certain aspects of CX engagement, they still want the ability to talk to someone when it makes sense for them to do so.
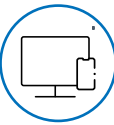
66.5% **of consumers strongly agree they would like the ability to speak to a human when they want to.**

Meeting higher expectations

Leaders and innovators raise universal customer expectations

The pandemic has proven to be a catalyst to CX improvement and has created a positive new norm for customers' expectations. Our VoC survey showed that 37.9% of consumers said the effectiveness of automated systems improved and 35.9% said organizations became more responsive during the pandemic.

Top 3 improvements consumers say organizations should build on:

Online/digital functionality

Fast response times

Round-the-clock availability

For organizations, the pandemic accelerated digitization strategies and revolutionized operating models, resulting in a greater focus on employee experience (EX) and employee wellbeing – and increased risks relating to the protection of customer data and privacy.

Active listening?

Despite the positive steps taken during the pandemic, customer ratings of CX delivery are lower than the ratings given by organizations. Organizations also believe they have far fewer detractors than what our VoC findings reveal.

	Enterprise view	VoC view
Detractors	24.6%	43.8%
Passives	44.8%	33.5%
Promoters	29.8%	22.6%

Figure 2: Customer ratings are lower than organizations think
How do your customers rate your CX capability? n=1,359

The pandemic has proven to be a catalyst for CX improvement, creating a positive new norm for customers.
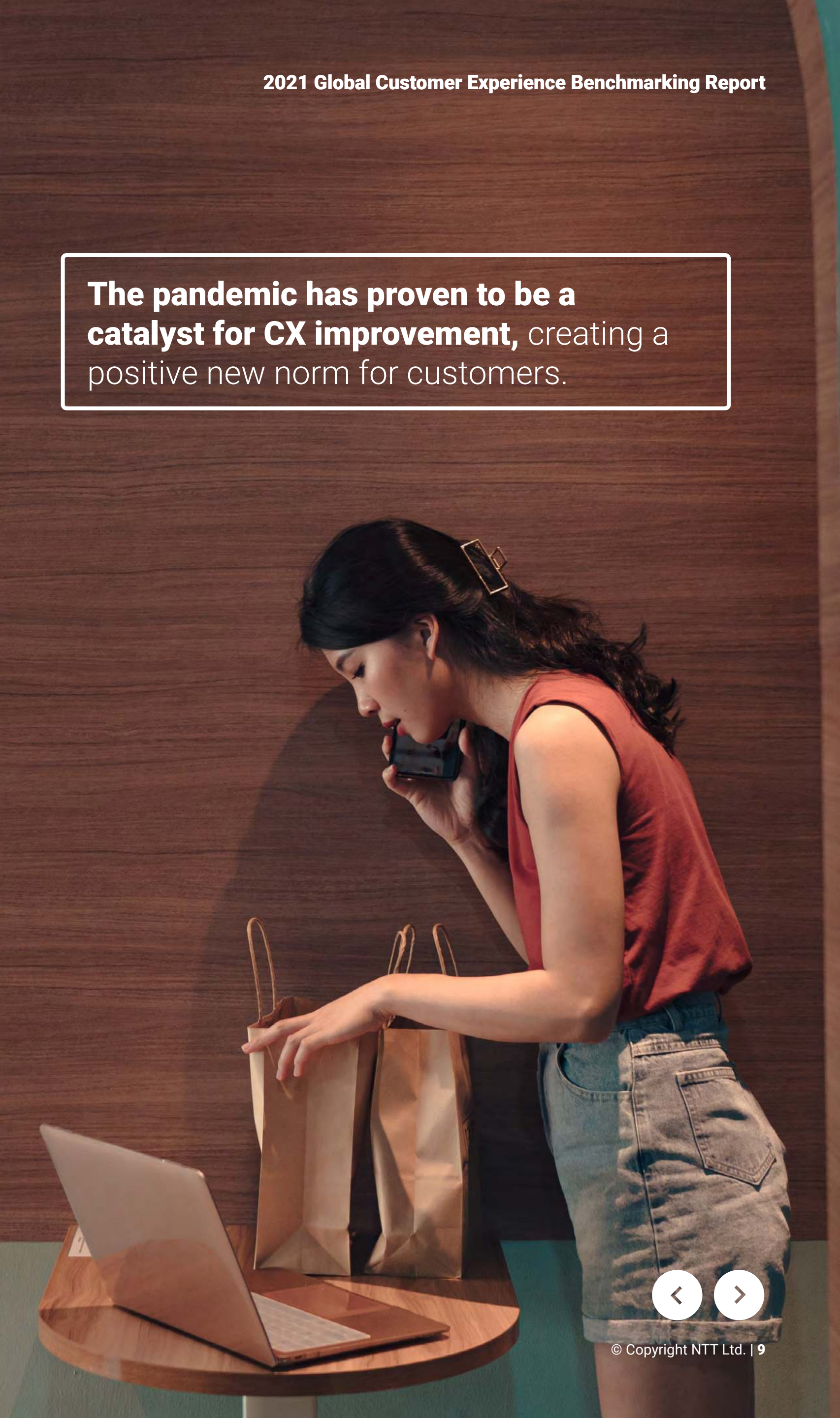
Promoters up from 17.6% pre-pandemic to 29.8%.
Detractors down to 24.6% (from 41.6% last year).
Organizations that have progressed heir CX strategies achieve
2.5 x promoter level scores than those who are still in planning.
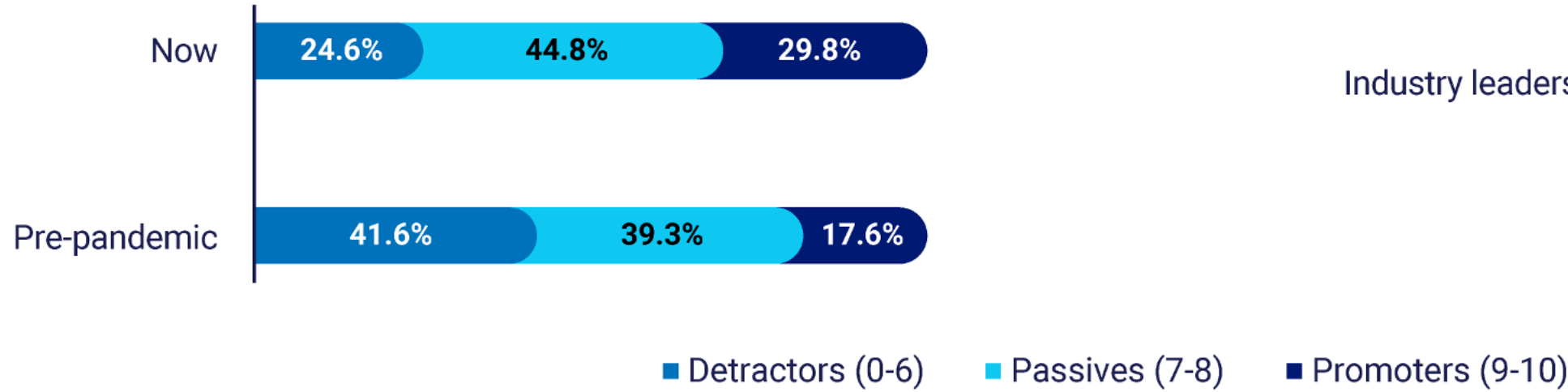
What does good look like?
Scores for industry leaders

	Detractors (0-6)	Passives (7-8)	Promoters (9-10)
Now	24.6%	44.8%	29.8%
Pre-pandemic	41.6%	39.3%	17.6%

	Detractors (0-6)	Passives (7-8)	Promoters (9-10)
Industry leaders	11.8%	41.2%	46.1%

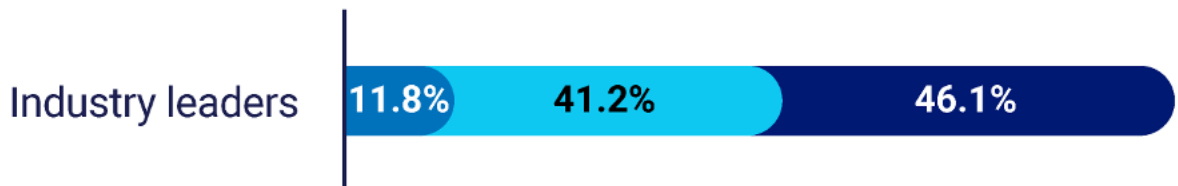- Detractors (0-6) - Passives (7-8) - Promoters (9-10)

Figure 3: Under 1 in 3 organizations believe their customers would rate their CX as excellent
How do your customers rate your CX capability? n=1,359

Industry leaders, however, have less than half the number of detractors than the global benchmark. Industry disruptors say their promoters are at 46.1%, compared with just 20.2% for established traditional businesses. Results from organizations with highly engaged employees are four times higher than those without an engaged workforce.

Compared with the findings from our 2020 Report, the organizational view of CX ratings reflects an overall improvement in the maturity of digitally primed, end-to-end customer engagement that's gone hand in hand with greater empathy between organizations and consumers.

Digital models for sales, service, engagement and sourcing have been proven to work in many industries, and consumer resistance to digital has declined. But consumers still want a level of human interaction, and organizations which understand the importance of CX have provided alternatives to digital. Those that can't get this balance right will continue to have detractor scores.

Digital models for sales, service, engagement and sourcing have been proven to work in many industries, and consumer resistance to digital has declined.

Preparing to pivot

The pandemic forced many organizations to pivot quickly and there's now a greater focus on enabling greater agility in the future.

Revolution in operating models

35.5% of organizations fully agree their CX operating model will be predominantly home-based in future; another.

46.6% agree they will have certain elements home-based.

62.5% of industry disruptors say enabling a more flexible operating model, with a distributed workforce, is crucial.

Most organizations had no choice but to pivot to new operating models and transform CX capabilities to ensure business agility. While 44.9% said their CX teams were able to do this quickly and effectively, industry disruptors were the most successful in this regard (64.4% versus just 28.9% of established businesses).

For many, new operating models have presented challenges to employees and employers alike.
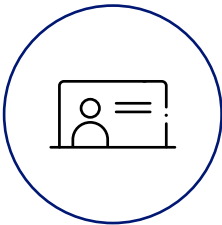
Over half of remote/hybrid workers say their employer struggles with having employees work at home.

The scale and speed of shifting to remote working (or a hybrid workforce model) in the last year has presented significant challenges for organizations. One in three say employee morale fell and a quarter say productivity dropped (higher in certain sectors) in the last year.

We expect to see these results improve as they hone their working practices, employee engagement and security, but this will take time and effort – and it's something organizations need to address to ensure their CX strategies can be executed effectively.

Change of CX ownership

74.9% — **Three-quarters of organizations have a board-level executive accountable for CX – up from 35.0% in 2020.**

53.8% — **Over half (but rising to 61.9% for industry leaders) have a CX-dedicated executive in place, another 15.5% have a non-board-level but dedicated CX lead.**

There's been a revolution around operating models and ownership of CX

Category	Percentage
Board-level executive - CX dedicated	53.8%
Board-level executive - Other	21.1%
Non-board-level manager - CX dedicated	15.5%
No single ownership - multiple managers	5.7%
Non-board-level manager - Other	3.3%
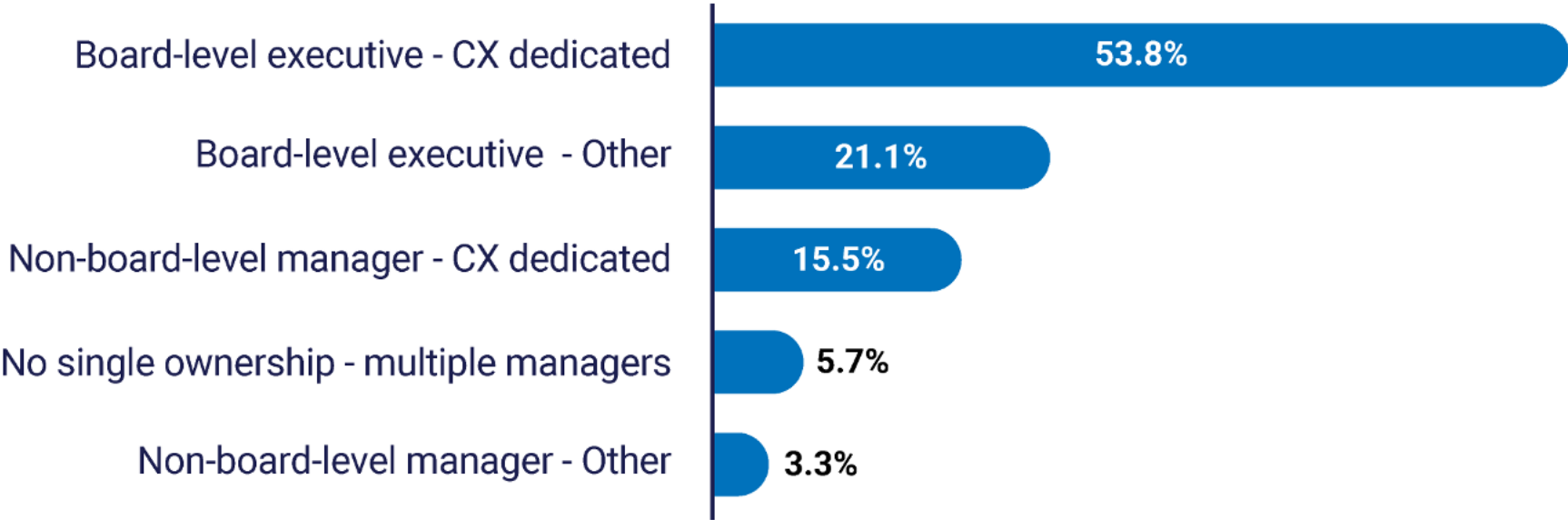
Figure 4: Accountability for CX in organizations
Who holds overall accountability for CX within your organization? n=1,359

The rise in organizations with a single point of accountability for CX (at a board or executive level) is an encouraging development. Our findings show CX is more likely to deliver the desired outcomes when it's recognized as a value-driver and executed from the 'top down', as part of a broader business strategy.

If CX KPIs focus mainly on customer service metrics like NPS and customer effort scores, operations teams will work towards those, and CX will remain a cost center rather than a value-driver for the business.

CX automation strategies have accelerated

The pandemic held a mirror to organizations' digital capabilities. For leaders, automation and digitization were a springboard to gaining market share. For organizations with low digital maturity, they were more about plugging the gaps in order to survive.

The digitization and automation of CX played a key role in organizational agility and CX transformation. Enterprises had no choice but to 'go digital' during the pandemic, with 90.0% saying they accelerated digitization and automation to advance their CX capabilities. Organizations with an advanced CX strategy are almost twice as agile as those still developing their plans.

CX is more likely to deliver the desired outcomes when it's recognized as a value-driver and executed as part of a broader business strategy.

Reshaping CX capabilities

CX is the top indicator of strategic performance ...

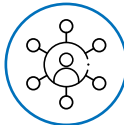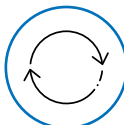**In this new environment, organizations vote CX as the number one indicator of strategic performance.** This view is supported by the rise in board-level accountability for CX, which more than doubled in the last year.

Top 5 indicators of strategic performance for organizations:

Customer experience (including satisfaction)

Digital transformation results

Brand strength (reputation and trust)

Market share (including growth)

Cost control (budget management)

33.6% of consumers found new companies online to buy from; 31.2% are more likely to buy from companies with a strong digital presence.

Similarly, consumers who had previously resisted using digital channels (or weren't aware they were even available) had to quickly adapt to finding and using automated systems. In the process, they've acquired the skills and confidence to continue using digital.

87.2% of consumers increased digital usage as result of the pandemic and 37.9% said that the effectiveness of automated systems improved.

... but current CX capabilities are a weak link for most

58.8% of organizations agree (25.7% fully agree) that CX is the weak link in their product/solution portfolio; just 45.0% are fully satisfied with their CX capability.

While CX generally improved as a result of the pandemic,
just half the enterprises surveyed (50.3%) fully agreed they are now ready and able to pivot as necessary. Less than half:

- fully agree their CX capability is aligned to their business strategy and business positioning
- use CX as a differentiator
- are very satisfied with their CX capabilities
- use best practice solutions
- have technology to support CX employees, regardless of location

61.2% of CEOs say their CX capability is aligned to their business strategy, but just 47.6% of operational and CX teams agree.

Industry leaders are almost twice as likely to have aligned their CX capability to their business strategy.

While CX generally improved as a result of the pandemic, just half the enterprises surveyed (50.3%) fully agreed they are now ready and able to pivot as necessary.

Short-term to medium-term focus to reshaping CX	Next 12 months	Next 5 years
Employee enablement (technical and skills training)	1	10
Employee enhancement (e.g. knowledge and navigation tools)	2	9
Service personalization	3	11
Analytics (incl. data management and visualization)	4	7
Proactive CX	5	8
Systems integration (i.e. connected customer journeys)	6	6
Migration to digital-led solutions	7	5
Evolving technology architectures (e.g. hybrid cloud, PaaS, IaaS etc.)	8	3
Other emerging technologies (e.g. IoT, 5G, Edge computing, Blockchain etc.)	9	2
AI solutions (incl. machine learning)	10	1

Figure 5: Short-term and medium-term focus for improving CX
What will do most to reshape (and improve) your CX capability in next 12 months/next 5 years)? n=1,359

Organizations are no longer operating in a steady state. There's a great deal of pressure to adapt to a far more dynamic and fast-paced environment. This explains their short-term focus on supporting their employees, engaging their customers and ensuring they have the right datapoints to measure the impact of their decisions as they adapt to working 'in the now'.

The implementation of technologies such as AI and the evolution of technology architectures have, perhaps naively, been deprioritized for the time being but will be key to realizing those short-term goals. Industry disruptors are already giving these areas higher priority – on average, they're 22.7% more advanced than other organizations in using these technologies to augment CX.

CX budgets and resourcing have increased

60.0% of organizations say advancing digital transformation will require an increase to overall CX budgets in the next two years (46.3% said the same in 2020). Almost one in five expect physical building costs and their headcount to decrease.

Top areas of increased CX investment in the last 12 months:

IT (58.7%)   CX (48.9%)   Operations (38.7%)   Marketing (36.4%)

Almost half (44.7%) say CX budgets have increased in the last 12 months (58.7% in IT)

Our CX budgets have increased in the last 12 months: Fully agree 44.7%, Partially agree 41.9%, Disagree 11.0%

Our CX resourcing levels have increased in the last 12 months: Fully agree 47.5%, Partially agree 41.9%, Disagree 9.2%

Physical building costs will…: Increase 41.3%, Stay the same 40.2%, Decrease 18.5%

Overall CX budgets (total cost to serve) will…: Increase 60.0%, Stay the same 30.3%, Decrease 9.7%

Technology budgets will…: Increase 68.4%, Stay the same 26.5%, Decrease 5.2%

■ Fully agree ■ Partially agree ■ Disagree   ■ Increase ■ Stay the same ■ Decrease
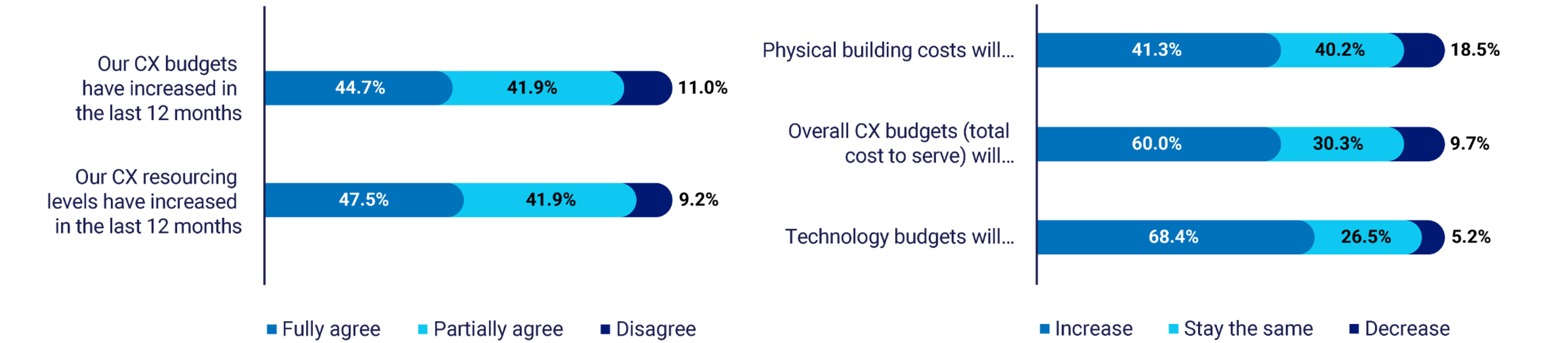
Figure 6: CX budgets and resourcing
To what extent do you agree or disagree with…? n=1,359 | How will advancing digital transformation (incl. robotics and AI automation) impact your operating model in the next two years? n=1,359

Augmenting CX with technology

The rise of parallel megatrends

Analytics and data management are the top technology initiatives being prioritized in CX for the third year running, followed by cybersecurity (which just made the top 10 in 2020) and employee-support interfaces.

Top CX technology initiatives	2019	2020	2021
Data analytics/data management	1	1	1
Cybersecurity (e.g. preventing attacks/fraud prevention)	10	10	2
Employee support interfaces	Not asked	Not asked	3
Digital transformation (incl. new digital channels)	4	2	4
Improved network connection (e.g. 5G, LAN/WAN bandwidth, Edge computing etc.)	Not asked	Not asked	5
Cloud solutions	7	8	6
Systems integration (i.e. omnichannel - connected customer journeys)	2	3	7
Self-service (incl. web, mobile, IVR)	2	5	8
Artificial intelligence (virtual assistants, machine learning, natural language voice interface)	5	4	9
Internet of Things	14	11	10
Virtual assistants/voice activated interfaces	Not asked	Not asked	11
Biometrics (facial, voice, fingerprint etc.)	12	12	12
Robotic process automation (incl. proactive automation)	6	6	13
Other	15	13	14

Figure 7: Top CX technology initiatives being prioritized
What are the top technology initiatives being prioritised to improve your CX capability? n=1,359

The maturity of technology megatrends such as cloud, digitization and automation coincided with the accelerated adoption of these technologies during the pandemic. Now, organizations are bringing these technologies together to enable a flexible, data-rich and digitally-led operating model, and test and adapt capabilities that enhance customer choice and personalization as part their CX strategy.

Our research shows that an end-to-end CX strategy optimization plan is the 'secret sauce' to successful CX outcomes.

Balancing digitally primed with the human touch

Industry leaders that have prioritized CX and adopted effective business models to enable greater agility will continue widening the gap on those that don't evolve.

Our research highlights that industry leaders recognize successful strategies start with understanding how customers want to interact with them – effectively, easily and securely – in the context of each activity of the CX cycle. They've implemented operating models that enable effective customer engagement and support valuable human touchpoints.

There's significant focus on agility and being able to change 'in the now'. But, if you're not clear on your business objectives and CX strategy, you could make bad decisions that aren't aligned with where you want to go. Our research shows that an end-to-end CX strategy optimization plan is the 'secret sauce' to successful CX outcomes.

Define. Design. Develop. Deploy

The ability to deliver what consumers want, wherever their journey starts and however it progresses, will ultimately determine the success of CX strategies – and your organization's future. To deliver business value through improved CX, define your challenges and required outcomes across the full CX lifecycle. Design and develop the CX capabilities required to support those outcomes and deploy your connected customer journeys in line with an end-to-end CX strategy optimization plan.

Henkel

Case study

Enabling a global cloud-connected contact center for Henkel

Henkel partnered with NTT to move from multiple hybrid and on-premises contact center solutions to a single cloud offering – Genesys Cloud Contact Center-as-a-Service. This solution allowed them to move more than 400 agents to support customers in more than 60 countries and 40 languages – and gives them the flexibility to effectively manage their costs and introduce new digital channels and operational enhancements.

'Our CX team can, as the internal service provider of contact center services, deliver any requirements within weeks rather than months, thanks to our newly consolidated global service platform.' Marek Klampár, Senior Consultant — Customer Experience, Henkel

Read the full case study

Callout article - Spotlight on: Cloud and CX

Accelerating agility with cloud-connected CX

The business case for cloud is becoming easier – you have the data and the features, and it's easier to test new ideas. To augment your CX capabilities effectively, work with your cloud partners and managed services providers to identify high-value opportunities in the many capabilities cloud has to offer.

Top 5 ways organizations say cloud solutions are enabling CX:

1. Flexibility
2. Integration (e.g. to single platform)
3. Uptime/reliability
4. Customization
5. Ability to test new ideas/solutions

Cloud-based CX solutions are now the standard for delivering CX services. Cloud removes barriers to entry by offering immediate access to a broad ecosystem of features and applications – including AI, machine learning, digital contact channels, quality monitoring and workforce engagement – that can be implemented quickly and at scale, at a significantly lower investment than on-premises and hosted solutions, and without the risk of downtime.

This doesn't mean organizations always implement these features well, however. They may be overwhelmed by what's available and adopt only a small subset of capabilities. Or they adopt them too quickly, simply because they can. But, what may seem effortless (and inexpensive) to the organization – like implementing chatbots to deflect call volumes – could just create frustration and disillusionment for customers. Without a clear business case and well-designed implementation, you may not get the desired outcomes.

The good news is that features which don't deliver the required results are easy to switch off, with no impact on downtime. But again, look at the use case and put some thought into what you're trying to do before you go ahead – or it's your customers who may switch off and move on.

Cloud also gives organizations greater access to data and analytics than traditional solutions. However, organizations are at varying levels of maturity when it comes to using that data to inform broader CX strategies. Some are now using advanced capabilities to analyse customer service interactions and measure their impact on customer satisfaction, then loop that data back into sales intelligence so they can direct customer personas to more appropriate channels and agents.

Resisting the move to cloud means you risk being left behind. Organizations that are extending their investments in legacy platforms which are tightly integrated into multiple line-of-business and CRM systems may perceive the cost of moving to the cloud as too high – but so is the risk of downtime when you're running an upgrade and your customers expect your services to be available 24/7. And when you factor in the cost of implementations, integrations and upgrades over the years, that investment in cloud is still a fraction of what it was in the past. Integration is also less of a challenge. With standardized cloud-based APIs, what used to be legacy and proprietary interfaces can now be plugged together to support a particular business outcome.

Read more in our 2021 Hybrid Cloud Report.

New benchmarks for designing customer journeys

Results discussed in the strategy section of this Report show there's still a disconnect between CX strategy and execution. CEOs understand the importance of CX and just under two-thirds say their CX capability aligns with their business strategy and positioning, but less than half of operational and CX teams agree. Human-centered customer journeys can help bridge this gap and augment CX capabilities – and they'll be far more effective if you involve the humans concerned.
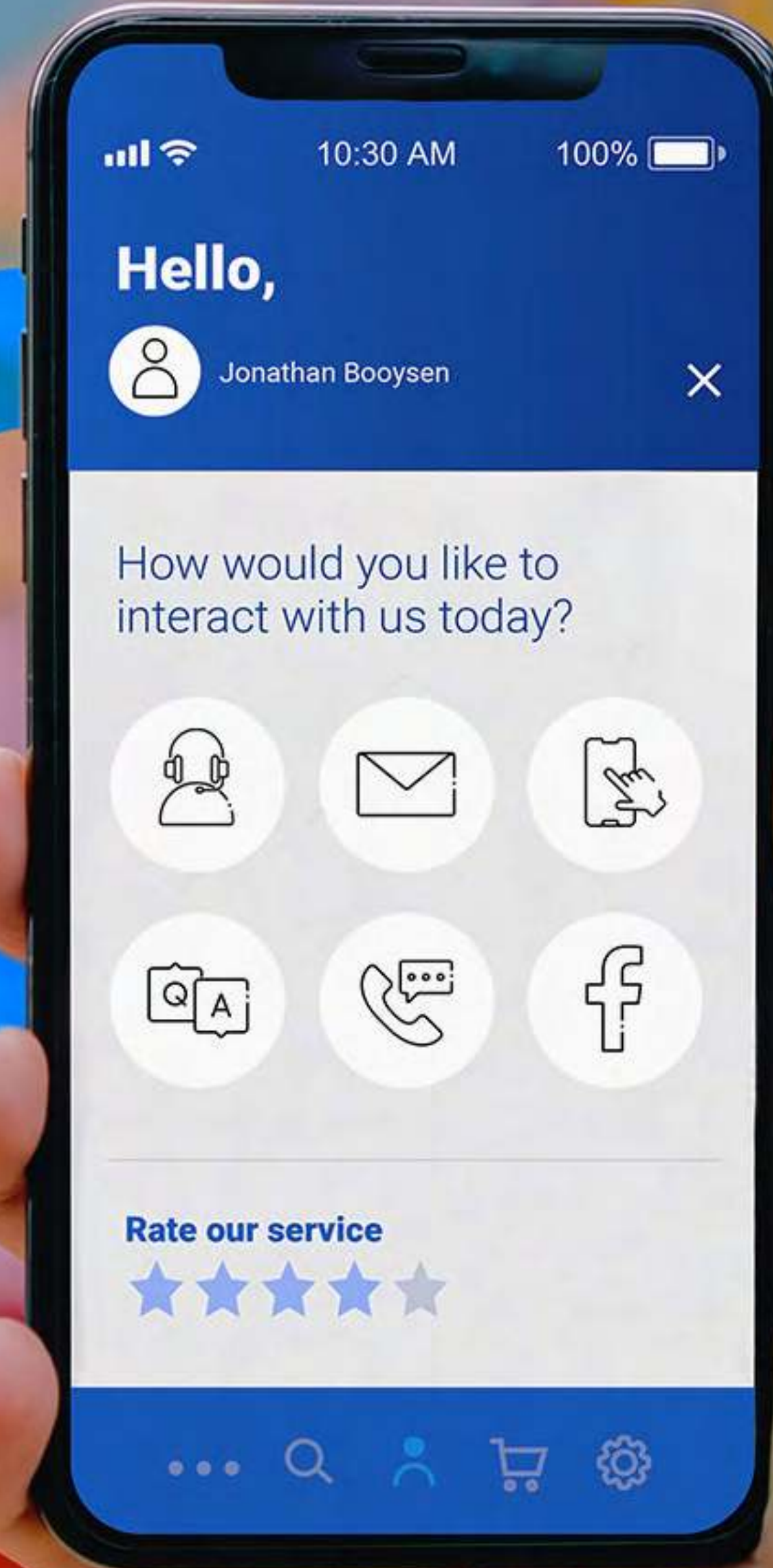
Read on

Starting from a revised baseline

Most organizations responded well to changes arising from the pandemic and, in doing so, created a new benchmark for customer expectations. Consumers have set their own standards based on their experiences with a range of enterprises, across industries, and they expect organizations to live up to these.

Improved online functionality, faster responses and round-the-clock availability are the top three things consumers believe organizations did well in the last 12 months, and should continue to build on. **Organizations should aim to meet these expectations rather than overwhelm customers in an attempt to exceed them.**

This means getting the simple things right: treating customers as people, not reference numbers, ensuring they don't have to repeat information when they contact you, and providing channels that work for them. Making CX easy and effortless remains a challenge for many, but industry leaders show it can be done – with the results to match.

31.4% **Leading organizations are 31.4% easier to do business with.**

Consumers have set their own standards based on their experiences with a range of enterprises across industries.

Ease of doing business: leaders vs global benchmark

	Leaders	Global benchmark
Extremely easy	17.1%	10.0%
Very easy	41.5%	34.6%
Fairly easy	29.3%	36.9%
Neither	0.0%	4.6%
Fairly difficult	9.8%	12.3%
Very difficult	2.4%	1.5%
Extremely difficult	0.0%	0.0%

■ Leaders ■ Global benchmark
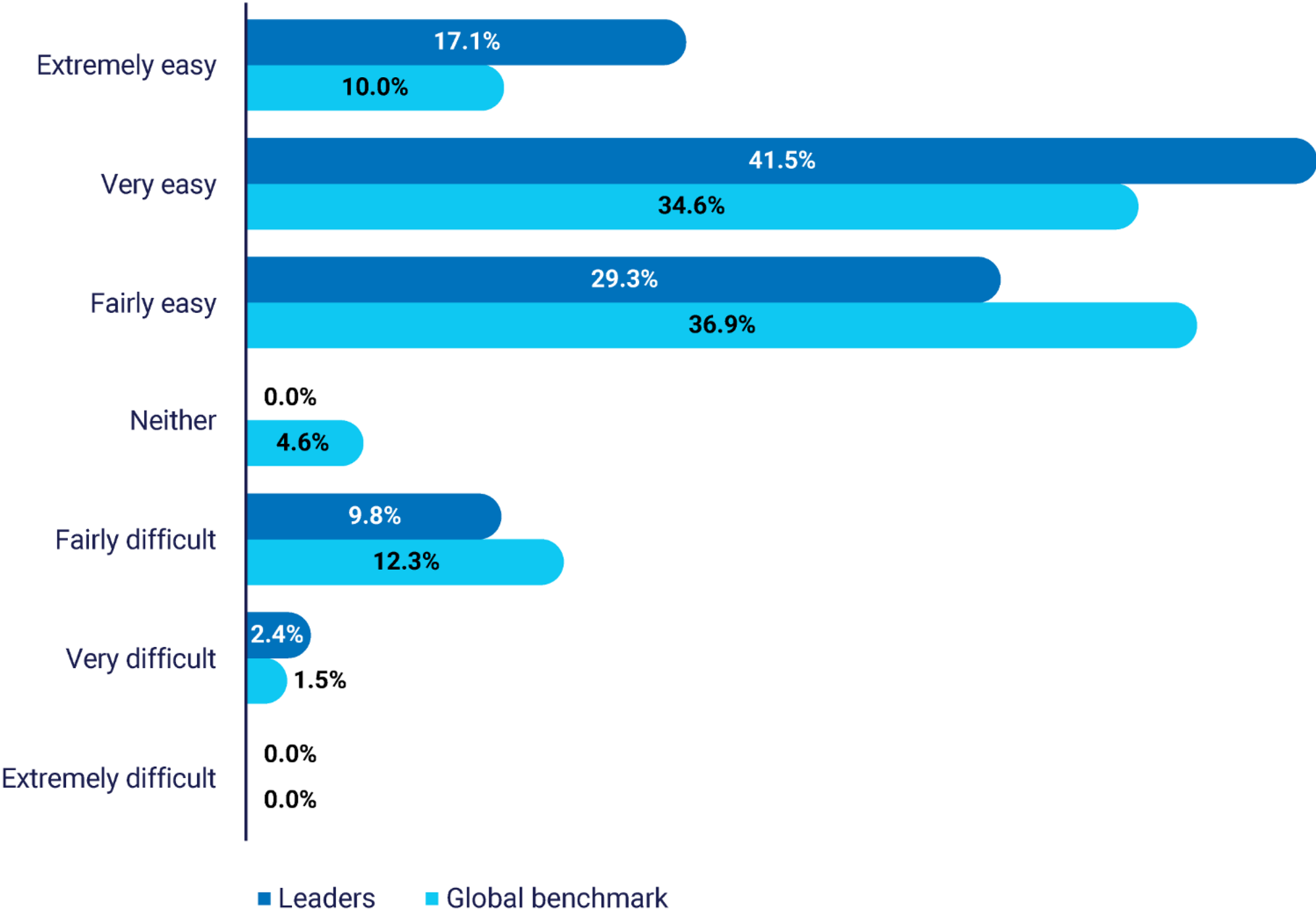
Figure 8: Leading organizations are 31.4% easier to do business with.
How easy would your customers say it is to do business with you? n=130

Less than half (44.6%) the organizations surveyed who measure Customer Effort Score (CES) say customers find it extremely or very easy to do business with them. Nearly one in five (18.4%) are unsure or believe they are difficult to do business with. Leaders perform better, with 58.6% saying they're easy to do business with.

These results are reflected in consumer ratings of CX delivery, which are lower than the ratings enterprises gave themselves – and pointing to a clear disconnect between CX strategy and execution. Organizations may be doing what they think is right, but if they don't involve their customers and employees in the design process and use their feedback to improve CX delivery, they won't get the results they want.

How do your customers rate your CX capability?
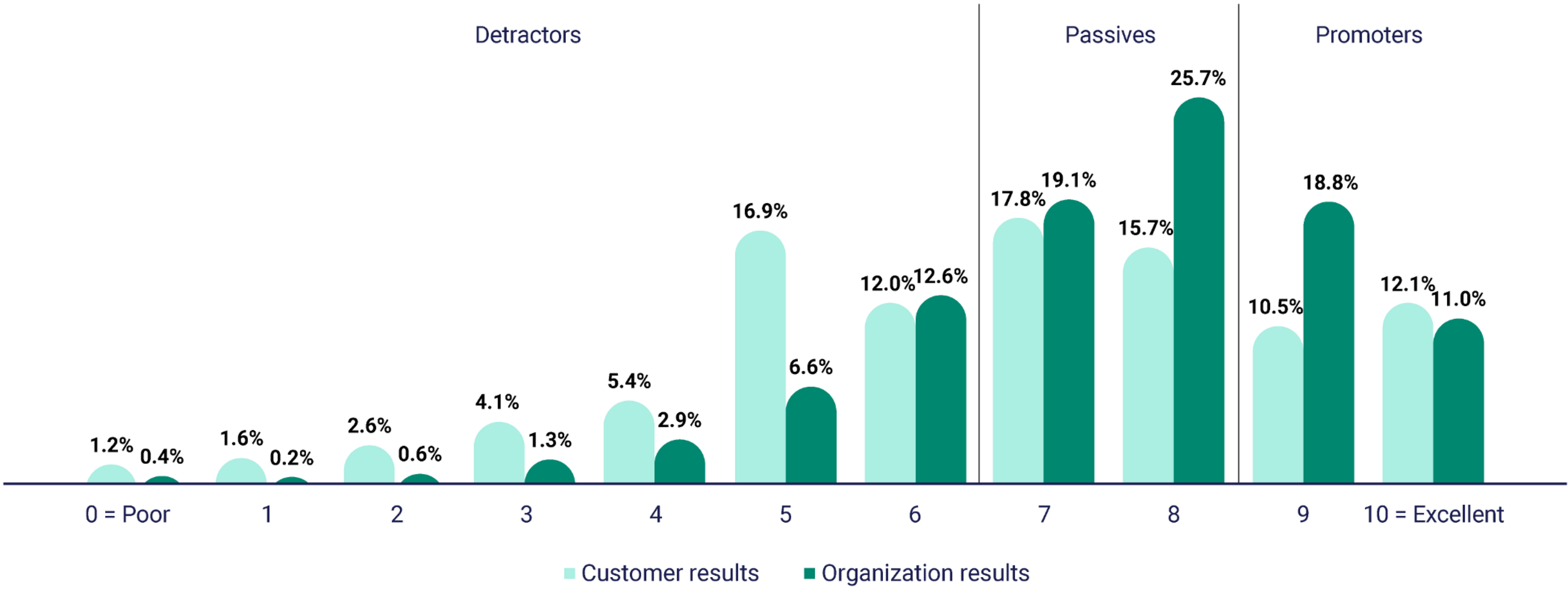
Figure 9: Consumer ratings of CX capbilities
Customers: Thinking about when you contact the following types of service providers, how would you generally rate the level of customer service you experience? n=1,402 / Organizations: How do your customers rate your CX capability? n=1,359

Getting the right input into CX design

Customers, employees and business functions are equally important to customer journey design. While the majority of organizations recognize this, most are not using customer insights and collaborating across departments to augment CX delivery.

93.8% of organizations appreciate the need for CX design principles and guidelines that incorporate regular process and optimization review… but less than 2 in 5 will seek employee or customer input when designing customer journeys.

Listen to customers – and apply what they tell you

44.3% **Just 44.3% of organizations are using customer insight to inform service and product business improvements and 44.7% recognize a voice of the customer (VoC) program as crucial.**

When it comes to VoC, there's a big gap between intent and execution. Many organizations say it's important, so why aren't they doing it? It's not for lack of information – VoC data is widely available. But organizations may not have the right skills, platforms and processes to analyse that data and use it as a key input into R&D, product enhancements, and CX journey design and management.

Another reason could be attribution. Without hard numbers to measure the direct results of a return on investment in CX initiatives and VoC programs, it's difficult to demonstrate the value of CX at both a strategic and execution level. CX initiatives should therefore include clearly defined success criteria and a baseline against which to measure improvements.

For CX to be delivered effortlessly and consistently, different functions of the organization have to work together in both designing and executing it.

Involve employees across the enterprise

38.9% **Just over a third of organizations say business functions are fully collaborating to define customer journeys and design CX.**

For CX to be delivered effortlessly and consistently, different functions of the organization have to work together in both designing and executing it. A well-defined CX strategy won't get you far if it's not communicated to the people responsible for executing it. Employees must be informed about how CX should be executed across the enterprise, and given the tools and a sense of ownership over their role in CX delivery.

Seeing personalization from a customer's perspective
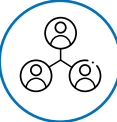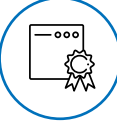
Organizations recognize the value of personalization to CX. However, our findings suggest that organizations and consumers have different views of what personalization means. For consumers, it's not so much about how well the organization knows them but how well the organization is listening to them.

For consumers, personalization is not about how well the organization knows them, but how well the organization is listening to them, and how efficiently and effectively they respond to needs.

Top 4 consumer preferences for personalized services:

- Offer me the ability to decide what updates I receive and how I receive them.
- Let me tailor my purchase in a way that works for me.
- Remember how I want to be contacted, and stick to it.
- Validate who I am once, and quickly.

Top 5 areas where organizations say personalization positively impacts CX:

- Improved customer satisfaction and engagement
- Increased customer acquisition
- Increased effectiveness of personalized marketing
- Improved speed to action
- Increased potential in revenue and retention

'Give me a choice and respect that choice.'

Consumers are more interested in being able to choose how they engage with organizations – and having those choices respected – than receiving what organizations think are helpful reminders, or proactive offerings in an attempt to upsell or cross-sell to them.

They're also wary about sharing personal data so companies can send them personalized information.

1 in 4 Just one in four consumer are unhappy or unsure about sharing personal data to receive increased personalization.

1 in 3 Just one in three are fully comfortable and discomfort levels double amongst those aged 50 and over.

10.0% Only 10.0% of those aged 60+ are happy to share their personal data.

As we've said before, good CX design is about getting the basics right. In the case of personalization, this means meeting customers' expectations by adhering to their choices, not trying to 'delight' them with content they haven't asked for.

For consumers, personalization is not about how well the organization knows them but how well the organization is listening to them.

Enabling ease of contact and CX consistency

44.3% — **Under half the organizations surveyed strongly agree their strategies for customer contact channel management are well defined (44.3%) and CX is consistent across all customer journeys (41.4%).**

Ease of contact is one of the top three factors that make consumers stay loyal to a brand and should be a primary consideration in contact-channel design. Yet, our findings indicate there's still not enough thought and strategy going into customer contact management.

'I want to tell my story once. Don't make me repeat it.'

The number of channels offered is not as important as how effective they are in serving different customer segments, reducing customer effort and enabling consistent CX across all customer journeys. Flooding customers with too many channel options can create anxiety. And if channels aren't integrated well, customers have to repeat information when moving from one channel to another, resulting in increased effort and frustration.

Consumer channel choices

Following the pandemic, consumers are more willing than before to embrace digital. It's the preferred option for almost a third of consumers surveyed, and often seen as essential for escalations.

Our VoC findings show consumers are moving away from traditional automated phone systems but remain open to engaging via live phone calls. Video, web chat, instant messaging and innovative technology (virtual assistants and wearables) are the channels where consumer use has grown the most since before the pandemic. Younger generations are more open to using a combination of channels.
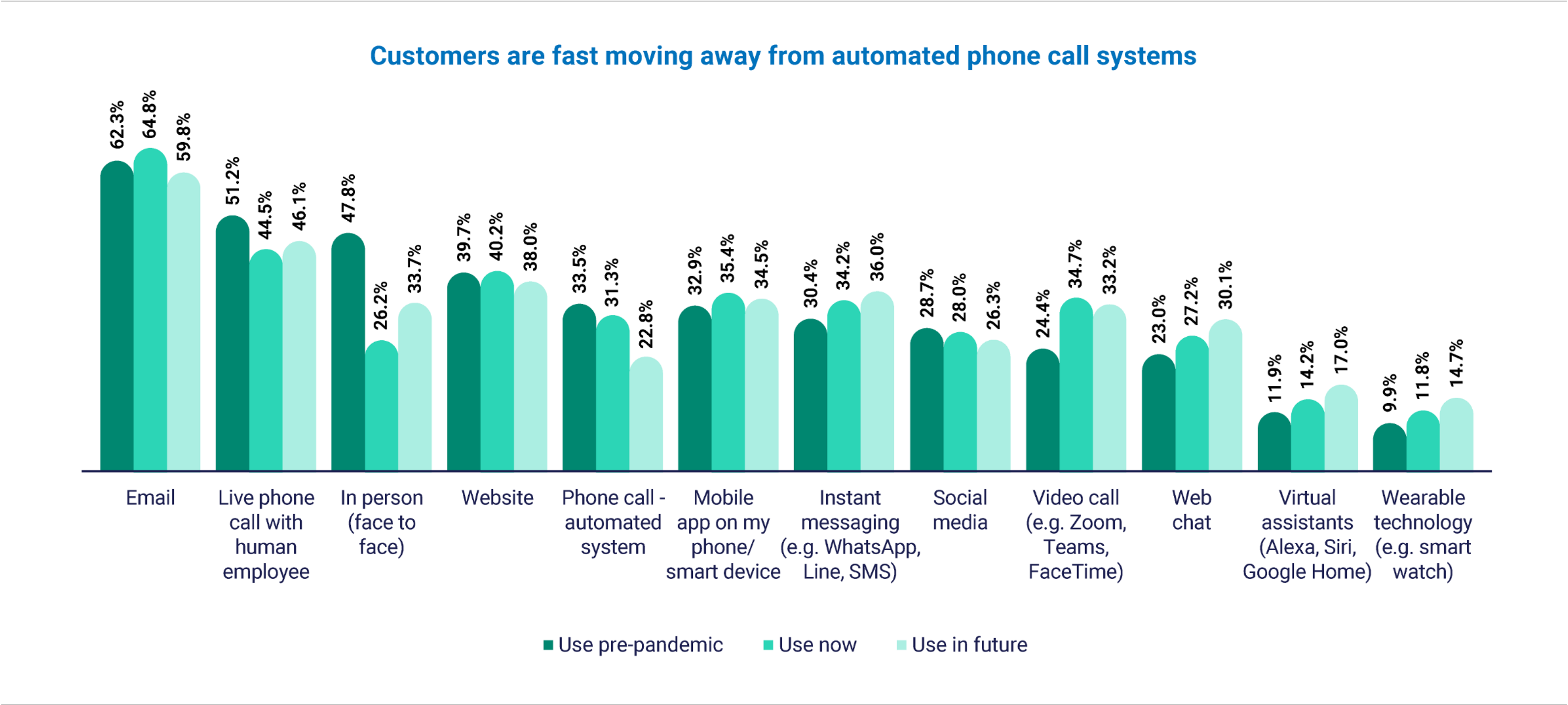
Figure 10: Consumer channel preference
1) Which of the following ways of communicating with companies did you regularly use before the COVID-19 pandemic? 2) Which do you regularly use now? 3) And which would you like to regularly use in the future? n=1,402

Ease of contact is one of the top three factors that make consumers stay loyal to a brand.

Which of the following contact channels are most popular with the following age groups?

Age group	Social media	In person - face-to-face	Telephone - direct human led	Email	Web chat	Self-service	Virtual assistants
Under 25 years	35.7%	15.0%	12.3%	12.3%	11.5%	8.8%	4.4%
25 - 39 years	17.6%	14.5%	16.3%	16.7%	9.3%	17.6%	7.9%
40 - 59 years	4.0%	35.7%	29.1%	8.8%	2.6%	14.1%	5.7%
60 and over	4.8%	53.7%	28.6%	1.3%	2.2%	6.2%	3.1%

- ■ Social media
- ■ In person - face-to-face interactions
- ■ Telephone - direct human led interactions
- ■ Email
- ■ Web chat
- ■ Self-service - web-based/mobile apps
- ■ Virtual assistants (incl. chatbots & voice activated interfeaces

Figure 11: Customer channel preference by age group
Which of the following contact channels are most popular with the following age groups? Base: Operational role respondents? n=227

The disparity between the enterprise view of channel preference and the preferences reported by consumers suggests that organizations may not be offering the channels their customers want, or offering channels with very limited functionality and poor engagements, forcing customers to use other channels instead.

The number of channels offered is not as important as how effective they are in serving different customer segments, reducing customer effort and enabling consistent CX across all customer journeys.

Channel offerings in place and planned

Channel	Now	Within 1 year	No plans
Email	78.3%	17.5%	4.2%
In person (face to face)	74.8%	19.6%	5.6%
Website	74.2%	21.4%	4.3%
Telephone - agent led	71.2%	23.4%	5.4%
Social media	69.5%	22.1%	8.4%
Mobile (smart) application	62.0%	31.1%	6.9%
Instant messaging (e.g. WhatsApp, Line, SMS)	61.0%	28.5%	10.5%
Web chat	58.3%	32.8%	8.9%
Telephone - self-service (IVR touch-tone/speech)	55.3%	31.9%	12.7%
Video chat	45.3%	38.1%	16.6%
AI virtual assistant - web based bots	39.6%	45.3%	15.2%
Internet of Things (IoT) - connected devices/goods/vehicles	38.3%	43.6%	18.2%
Self-service kiosks	36.5%	41.0%	22.5%
White mail	36.1%	35.4%	28.5%
Wearables (personal and wearable devices)	33.3%	41.0%	25.7%
Virtual/augmented channels	33.0%	43.1%	23.9%
Robotic process/proactive automation (e.g. rules-baased status/delivery updates)	32.6%	47.8%	19.6%
AI virtual assistant - voice activated interface bots	29.8%	51.7%	18.5%

■ Now ■ Within 1 year ■ No plans

Figure 12: Enterprise channel offerings
What customer contact channels do you provide now, or have planned? n=1,359

Enterprise channel offerings

There's a fairly even spread of growth across channels compared to last year, reflecting increased digital usage and access points. The majority of organizations are now providing a choice of nine channels (up from eight in 2020), giving consumers the option to engage with them in a variety of ways.

Looking at the enterprise view, AI web bots and voice-activated interfaces (which seem ubiquitous now) are rated as the top channels that will be important to delivering CX within the next year, followed by Internet of Things (IoT) and virtual/augmented channels.

These technologies have the ability to extract multiple data points that can provide insight into customer journeys and opportunities for CX improvement. Organizations will need the right skills and platforms to analyse this data in order to better understand these journeys and identify ways to achieve business outcomes at various stages of the journey (for example, by offering the human touch to improve conversion rates for certain types of sale).

The capability for data analysis in this area can also help organizations to:

- Identify transition points between channels that can or should exist.
- Design and connect channels to reduce friction and effort.
- Give customers the choice to use the right option at the right time for them.
- Address any issues detected.

For consumers, channel selection will always be based on perceived effort. Digital channels may fulfil many needs but must be balanced with the ability to engage human assistance when empathy and the ability to solve complex queries are required.

Top-rated channels can extract multiple data points to provide insight into customer journeys and opportunities for CX improvement.

Overcoming customer resistance to digital automation

Resistance to digital channels from some customer segments remains a challenge

Around a third of consumers are not discouraged from using digital/self-service contact channels, they'd simply rather engage at a human level – particularly those aged 40+.

1 in 3 — Almost 1 in 3 say digital/self-service channels don't meet their needs.

1 in 4 — Over a quarter are concerned about security and safety.

I'd rather speak to a human — 37.9%
I can't get the outcome I need — 30.6%
Some of the companies I deal with are not contactable — 28.0%
I'm worried about security and how safe it is — 27.8%
It doesn't let me perform the services I need — 23.2%
It's too slow — 23.1%
It's too difficult to use — 16.6%
Companies don't use the technology that I use — 16.0%
None of the above — 4.8%
I'm not discouraged from using digital channels when dealing with a company — 11.3%
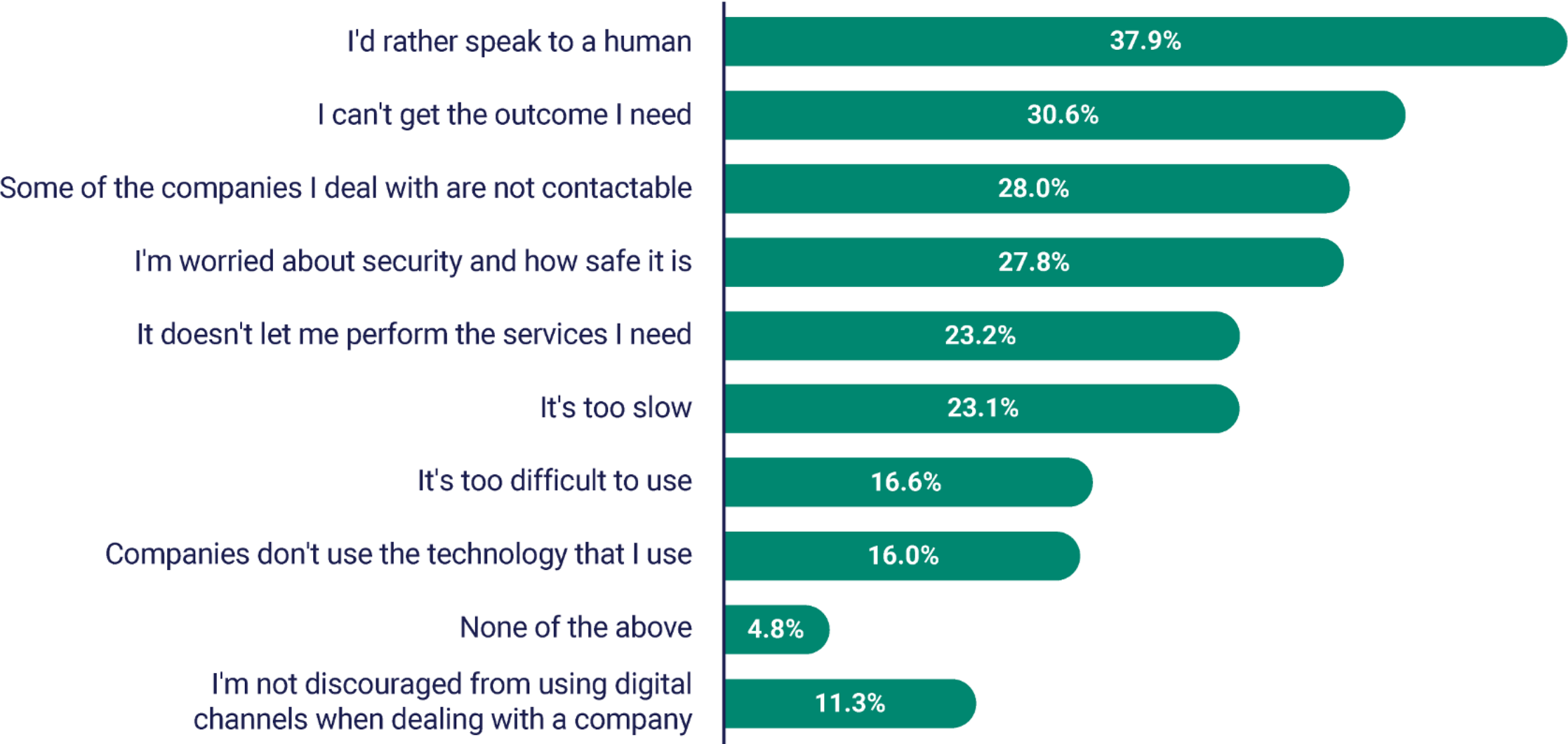
Figure 13: Customer resistance to digital channels
What, if any, factors discourage you from using digital/self-service contact channels (e.g. internet, mobile app) when dealing with a company? n=1,402

Enterprise challenges

Challenge	%
Integration of systems across multiple channels	38.5%
Agent capability (incl. knowledge and empowerment)	33.1%
Organizational policies/lack of clear escalation path (e.g. to speak with manager)	32.1%
Lack of data (inability to gain insight from trusted data)	31.3%
Customer journey strategy is not clear	29.9%
Lack of automation (i.e. tracking system)	29.9%
Silo management - lack of inter-departmental collaboration	28.8%
Digital design - solutions don't work	27.4%
Process blockage points cannot be identified	27.3%
Key decision points cannot be identified	25.9%

Customer adoption challenges

Challenge	%
Customer attitude/resistance to non-human channels	42.6%
Quality of information available to customers	40.5%
Customer awareness of solution	38.8%
Response times too slow	35.6%
Channel functions fall short of user needs	34.1%
Poor user interface/experience	32.5%
Operating silos and disparate approaches	28.8%
We are not active on the customers preferred channels	24.7%

Figure 14: Customer channel preference by age group
What, if any, are your organization's main challenges relating to optimizing customer journeys? n=1,359

What, if any, factors are negatively affecting customer adoption of digital channels? n=1,359

Organizations need to understand why customers are not adopting certain channels or why adoption is lower than expected. Our VoC findings show consumers are not unwilling to use these channels and are likely to feel more confident with using them now. However, they will be put off if they don't get the outcome they need – and hence would rather speak to a human. Organizations also need to ensure customers know these channels are available.

It may be tempting to push customers to chatbots when physical contact channels aren't available and employees working remotely are struggling to cope with contact volumes. At the same time, human-led conversations could take longer if the employee doesn't have the skills or knowledge at hand to support the customer through the interaction. Either approach will be counter-productive if it's not part of a considered, human-centered CX design that drives a new digital strategy and augments the capabilities of CX employees.

Customer journey is a choice. Give customers options so they decide what journey they want to take.
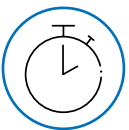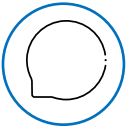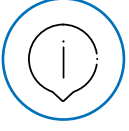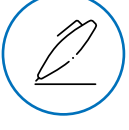
Customers want choice and control over their engagement. Rather than forcing them to use a particular channel, give them options and let them decide. Voice bots, for example, allow you to bring in digital capability as an option within the voice channel – you could offer to send customers a link to a self-service site, for example, or continue the process with a virtual assistant, or wait to speak to an agent. Put the choice in their hands and allow them to make an informed decision.

> **The use of social media as an active CX channel** has been increasing year-on-year.

Social media: when CX goes public

Top 5 reasons consumers use social media to contact companies:

- I get a faster response
- It helps that I can see other people's comments/reviews.
- It's a great way to stay informed (sales, new products, outages, etc.)
- I like to post reviews.
- It's an easy way to complain.

The use of social media as an active CX channel has been increasing year-on-year. In some organizations, social media teams monitor these platforms for product queries and complaints, and respond through the platform to build brand equity. In others, contact center dashboards incorporate social-media monitoring so resources can be reassigned to these platforms when necessary.

50.8% of organizations offer full support via social media – a rise of 33.7% from last year alone. While more than 2 in 5 offer redirects, that number is dropping. Over one-third (38.0%) can process orders.

If you're going to incorporate social media platforms into your customer journey design, make sure you have the resources to monitor them. Customers expect you to respond quickly on these platforms. If they're not satisfied with the responses they're getting, the entire community will know about it. Also consider ways to support your strategy with content that targets these communities so they become brand followers. Consumers trust the reviews of their peers, so use platforms that will build a community around your brand.

7 questions to inform channel choices:

1. What kind of enterprise are we?
2. Who are our customers?
3. What kind of experience do we want them to have?
4. What motivates them use a particular channel?
5. Why do we want this channel?
6. Who do we want to reach with it?
7. What content do we want customers to engage with on this channel?

Involve your customers and employees in CX design and ensure you're tailoring your conversations and channels to meet their expectations and deliver the business outcomes you're looking for.

Leveraging data to optimize and measure CX outcomes

Data management capabilities are improving

Key capabilities in data management are improving. More organizations are now employing data scientists to look at the big picture and improve the capabilities of traditional business insights and reporting. Security is paramount.

44.1% of organizations say data analysis considers relationships between performance areas (up from 32.1% in 2020).

39.4% say data measurement rules and review frequencies are defined (34.0% in 2020).

38.9% have data scientists programming systems and creating performance scorecards (29.6% in 2020).

Data management, governance and the use of data is now a critical workstream to any enterprise project because organizations rely on data insights to make business decisions. If they can't access the data, or it's not in a format that enables them to make decisions, they lose a competitive advantage.

The focus on what data to capture to measure specific outcomes has fallen and this is a crucial area. But overall, data management is improving and there's greater focus on an outcome-based design of analytics models. The output of the data model is what determines measurable outcomes, so data management strategies need to be based on how data will drive certain decisions and actions in the enterprise.

The use of unstructured data analytics is growing

Data on customer behaviours, demographics, VoC feedback and product holdings are most likely to be collected. Customer feedback, CRM, data visualization tools and big data analytics are most likely to be eused to interpret the data.

43.1% Only 4 in 10 (43.1%) organizations are combining data from all channels through big data analytics (39.7% in 2020). Less than half (46.4%) has customer analytics in place (up from 36.6% in 2020).

Customer data collected

Customer behaviours/user patterns	48.6%
Demographic information (e.g. gender, education, income, etc.)	48.1%
Voice of the Customer feedback (incl. complaints)	47.5%
Customer product holdings/contact history	46.6%
Customer value	43.8%
Lifestyle data (e.g. consumer interests, sports& wellbeing/health, cultural/travel patterns)	43.2%
Customer sentiment data (incl. psychology/emotional movements)	36.7%
Connected device and sensor data (e.g. IoT, wearables)	33.5%
Data purchased via th party	25.1%

Data collection systems used

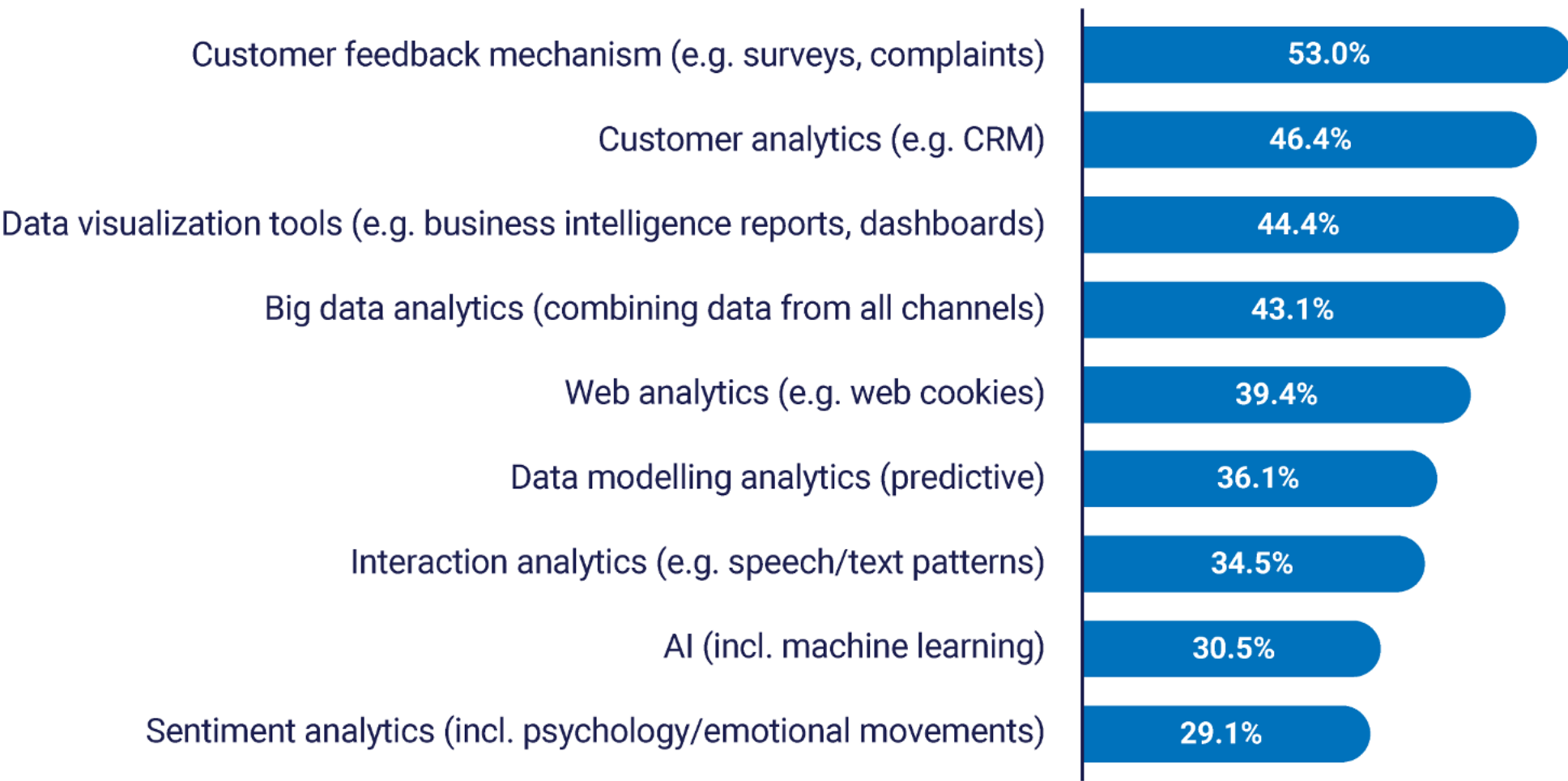|	
Customer feedback mechanism (e.g. surveys, complaints)	53.0%
Customer analytics (e.g. CRM)	46.4%
Data visualization tools (e.g. business intelligence reports, dashboards)	44.4%
Big data analytics (combining data from all channels)	43.1%
Web analytics (e.g. web cookies)	39.4%
Data modelling analytics (predictive)	36.1%
Interaction analytics (e.g. speech/text patterns)	34.5%
AI (incl. machine learning)	30.5%
Sentiment analytics (incl. psychology/emotional movements)	29.1%

Figure 15: Customer data captured and systems used
What, if any, customer data/intelligence do yo collect? n=1, 359

What, if any, systems do you use to collect and interpret customer data? n=1,359

The high predictability of demographic data in analytics models is now being augmented by data from external sources, such as Google, to provide more insight into consumer behaviours and user patterns. Organizations are combining these datasets in models used to inform the design of products, services and customer journeys.

Big-data capabilities will play a major role in driving CX value

Organizations with a more mature data analytics capability are quickly moving to capture both structured data (customer ratings, for example) and unstructured data (sentiments and themes from customer interactions). They're using big-data platforms and AI to extract insight from actual conversations and other behaviours – where customers are transacting, whether their custom is increasing or decreasing – to go beyond what customers are telling them and understand what they're actually doing.

Data security the top challenge to analytics capabilities

As data becomes a greater emphasis for organizations, privacy, compliance and security considerations have also increased.
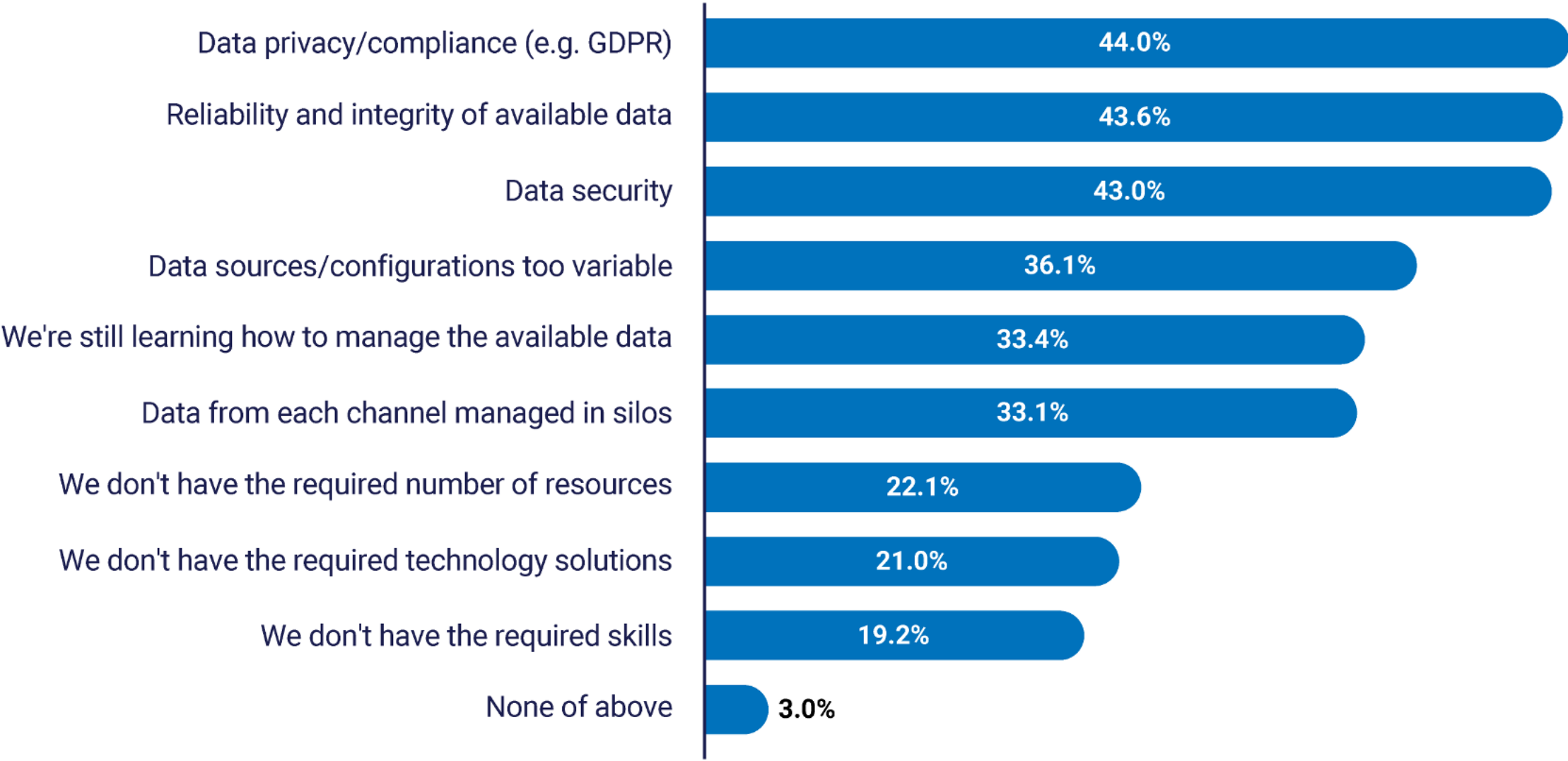
Challenges affecting data analytics capability can't be solved by IT teams alone. They come down to people, processes and technology: people define the business processes for the platform, which could create data integrity issues. Manual processes that don't alert users to potential errors will be reflected in the quality of the data. And legacy platforms will have vulnerabilities and risk exposures. Consider all three areas in light of the end goal of your CX ecosystem so you have more balanced, well-defined and reliable data as well as consistency and easy access.

Analytics is just the output of data generated from various platforms – its value lies in how these learnings are applied. A clear CX strategy and well-defined design for data management will have a direct influence on data availability, integrity and reliability.

[See: Spotlight on CX security]

> **A clear CX strategy and well-defined design for data management** will have a direct influence on data availability, integrity and reliability.

Closing the gap

The pandemic has accelerated improvements in CX delivery but also exacerbated existing problems. There's a disconnect between CX strategy and execution, and between what customers want and what organizations think they want. It's therefore encouraging to see that executive-level accountability for CX has risen significantly in the last year. Having a CX leader in the business who applies consistent guiding principles and measures of CX across the organization will help close the gap between intent and delivery – and between enterprise and consumer ratings of CX.

Top challenges affecting data analytics capability

Challenge	Percentage
Data privacy/compliance (e.g. GDPR)	44.0%
Reliability and integrity of available data	43.6%
Data security	43.0%
Data sources/configurations too variable	36.1%
We're still learning how to manage the available data	33.4%
Data from each channel managed in silos	33.1%
We don't have the required number of resources	22.1%
We don't have the required technology solutions	21.0%
We don't have the required skills	19.2%
None of above	3.0%

Figure 16: Top challenges affecting data analytics capability
What are the top challenges affecting your data analytics capability? n=1,359

Spotlight on: Managed CX

3 reasons to consider managed services for CX

The scope and complexity of CX, coupled with the rapid pace of change and acceleration of digital transformation, makes it increasingly difficult to manage CX effectively. Not for the first time, our research findings show there's a gap between executive-level and operational-level perceptions of CX capabilities.

Our 2021 Global Managed Services Report shows that the number one business driver for CEOs in the coming 18 months (outside of COVID-19) is improving agility and the business ability to respond to change: '"Delivering greater speed and agility as part of an organization's digital strategy requires greater alignment, enhanced communication and better understanding between IT and the business. 41.7% of organizations who have at least three-quarters of their IT currently managed by third parties have pivoted their technology focus to take advantage of market opportunities or enhance their ability to scale.'
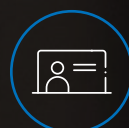
Top 4 permanent changes being considered as a result of the pandemic:

Prioritizing agility and digital flexibility

Shift to digital sales/services

Shift to home/hybrid operating model

Increasing speed of decision-making

As enterprises seek to deliver the effortless experiences customers now expect as standard, managed services for CX will become even more relevant – and necessary – to addressing three key challenges:

1. Aligning strategy and execution

CX strategy alignment across the organization and a conscious approach to the design and orchestration of customer journeys are critical to delivering an integrated, differentiated and personalized customer experience. But siloed approaches to defining and implementing CX means organizations are often stronger in either strategy or execution – but not both.

And once your strategy and execution are aligned, keeping them that way requires ongoing reviews and adjustments. Data insights, such as feedback from VoC programs and traditional contact center metrics (NPS, FCR, etc.), are critical to informing operational changes in order to address customers' needs with targeted intervention when failures occur.

2. Orchestrating customer journeys

The operating model required to successfully deliver effortless customer interactions requires bringing together digital automation, augmented intelligence and human-assisted service in a conscious and orchestrated customer journey with humans at the center of all interactions.

'Organizations that have advanced their digital transformation are more likely to outsource and outsource more. Those partnering with service providers for over half of their IT support are almost 50% more likely to have optimized their digital transformation. In the last year, those using third parties to manage over 50% of an organization's IT needs have risen from 25.0% to 37.6% (50.4% rise).'

Understanding your customers' needs and behaviours is key to determining when to bring in human contact – whether it's for interactions that require high levels of empathy, or to address a customer's frustration with self-service channels that aren't delivering what they need.

3. Integrating platforms and ensuring availability

CX platforms and solutions need to integrate seamlessly and operate to deliver the desired business outcomes. They also have to be available and performing round the clock, to minimize customer friction and frustration.

Multicloud and cloud-to-cloud native environments introduce operational complexity to the broader CX ecosystem, and enterprises often don't have the in-house skills or resources to simplify this complexity so they can focus on organizational and strategic imperatives.

Findings from our 2021 Global Managed Services Report show that the role of service providers is increasingly acknowledged as vital in helping organizations meet their goals – to optimize costs, maintain a steady ship, and innovate through emerging technologies and secure-by-design applications and processes that enable them to pivot and scale to take advantage of new opportunities.

Read more in our 2021 Global Managed Services Report.

Section 3

Prepare for the next wave: hyperautomation

In our last Report, we noted that the digital automation wave was fast approaching. The pandemic turned it into a tidal wave, which is likely to get even bigger in the next 12 months. RPA is now passé, giving way to hyperautomation that brings together AI, machine learning, virtual agents and RPA in one package that ushers in the true value proposition of automation to CX. Enterprises can no longer view automation in CX as optional – they must embrace it rapidly to remain relevant.

Read on

Embracing automation as the norm

The speed of transition is accelerating. If automation is left unattended, it could become an extinction event for some.

9 in 10 organizations surveyed said the pandemic accelerated CX automation.

51.0%

More than half expect a majority of their CX to be managed by robotic solutions (including AI/automation) within 12 months.

22.5%

1 in 5 forecast more than three-quarters of CX will be processed via automated solutions in the same period.

22.6%

are already managing the majority of their CX via automated solutions (up from just 5.9% in 2020).

Use of specific automated CX solutions

	No plans	Available now	Within 12 months	Within 5 years
Virtual assistants/bots - rules-based	7.7%	48.8%	33.8%	9.7%
Voice-activated interfaces (e.g. Siri, Alexa)	11.3%	36.5%	32.5%	19.6%
Virtual assistants/bots - powered via AI learning	8.2%	32.6%	41.6%	17.6%
Virtual/augmented reality	14.9%	28.5%	34.3%	22.4%
Robotic process automation - rules-based	10.1%	28.3%	39.0%	22.6%
Machine learning (e.g. predictive analytics, IoT)	8.5%	27.7%	39.2%	24.5%
Hyperautomation - robotics + AI for optimal CX	18.0%	23.5%	30.5%	28.1%

■ No plans ■ Available now ■ Within 12 months ■ Within 5 years

Proportion of CX managed via robotics/AI automation

	Nothing	< 25%	26-50%	51-75%	76-99%	100%	
Currently	13.6%	32.6%	31.2%	15.9%	5.2%	1.5%	Mean: 32%
Expected in 12 months	5.2%	15.2%	27.7%	29.6%	18.0%	4.5%	Mean: 51%

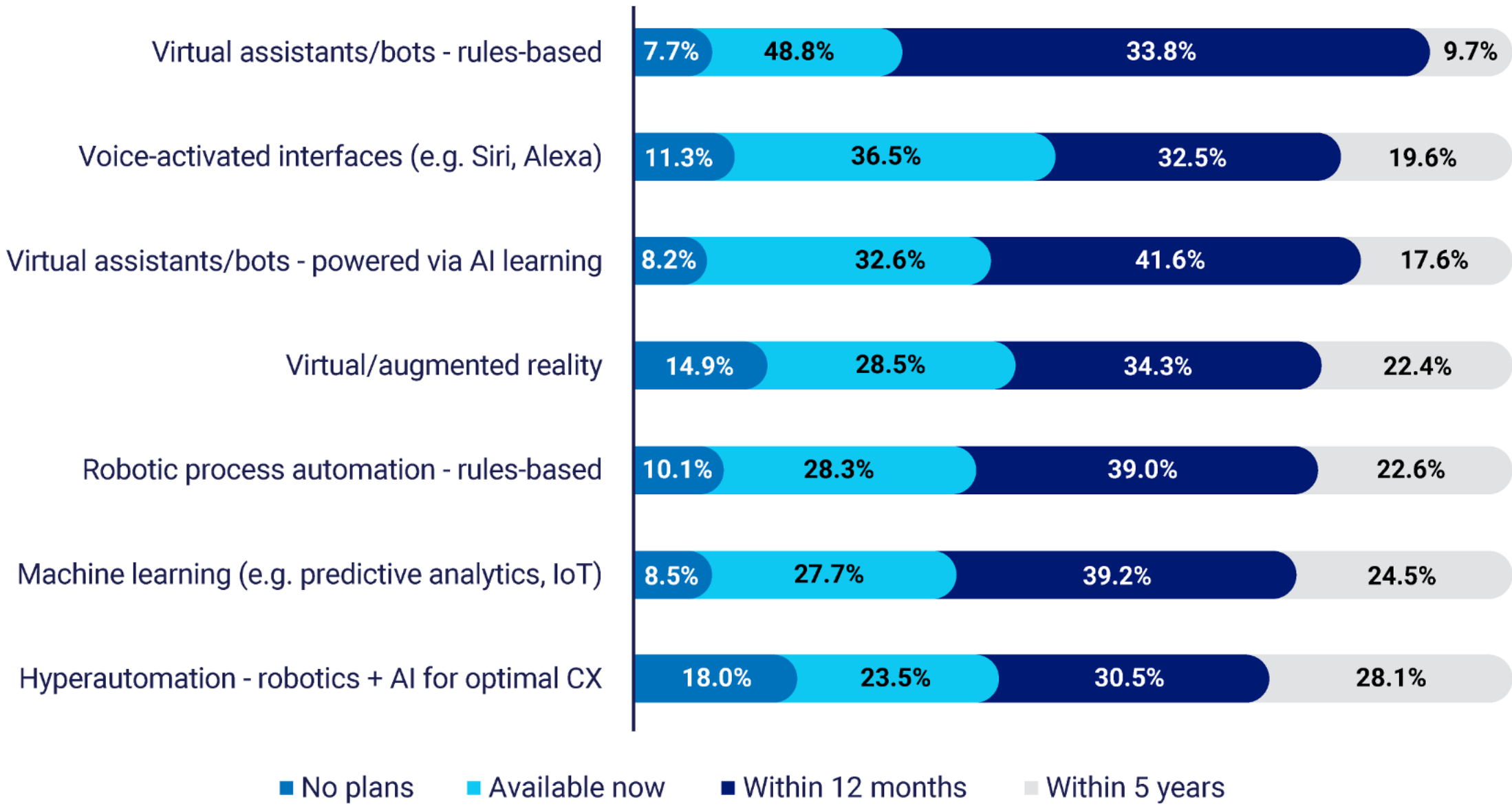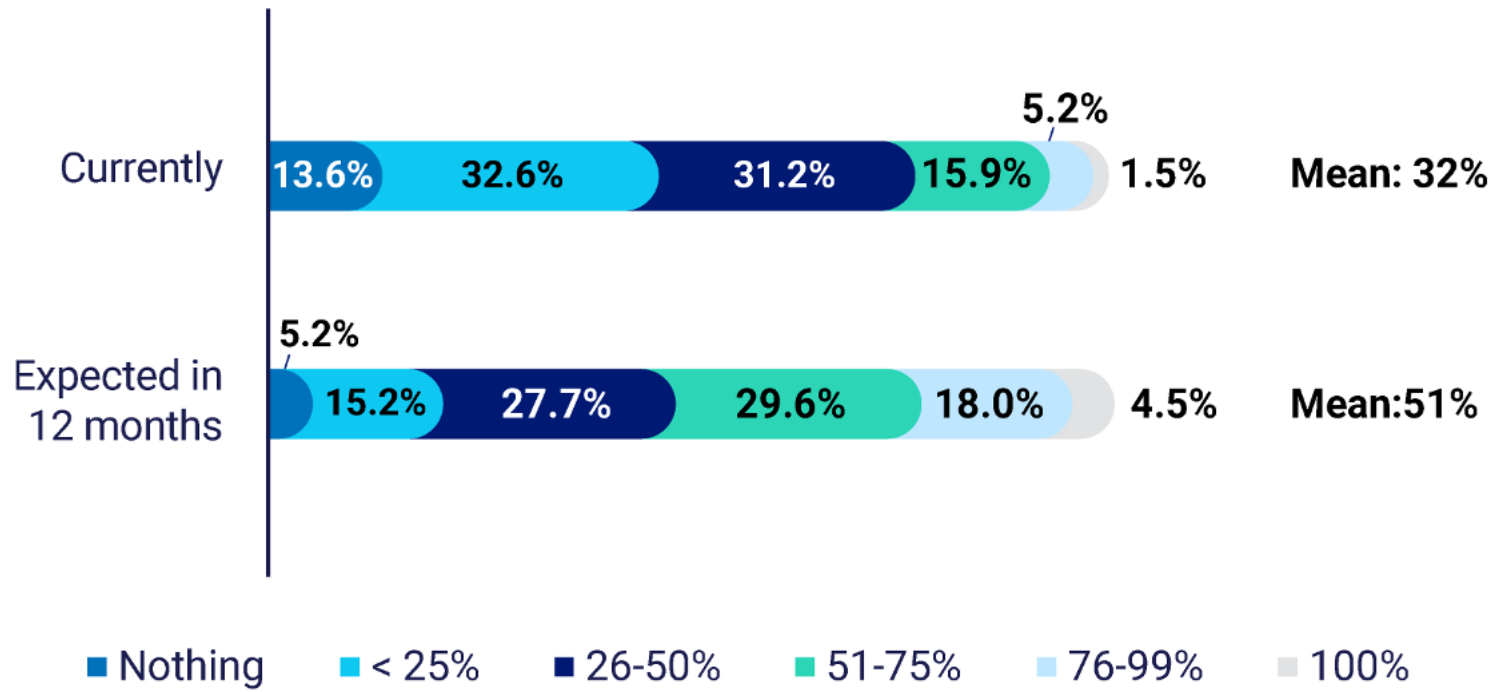■ Nothing ■ < 25% ■ 26-50% ■ 51-75% ■ 76-99% ■ 100%

Figure 17: Use of specific automated CX solutions
How much of your CX do you expect to be managed via robotics and AI automation in 12 months? n=1,359

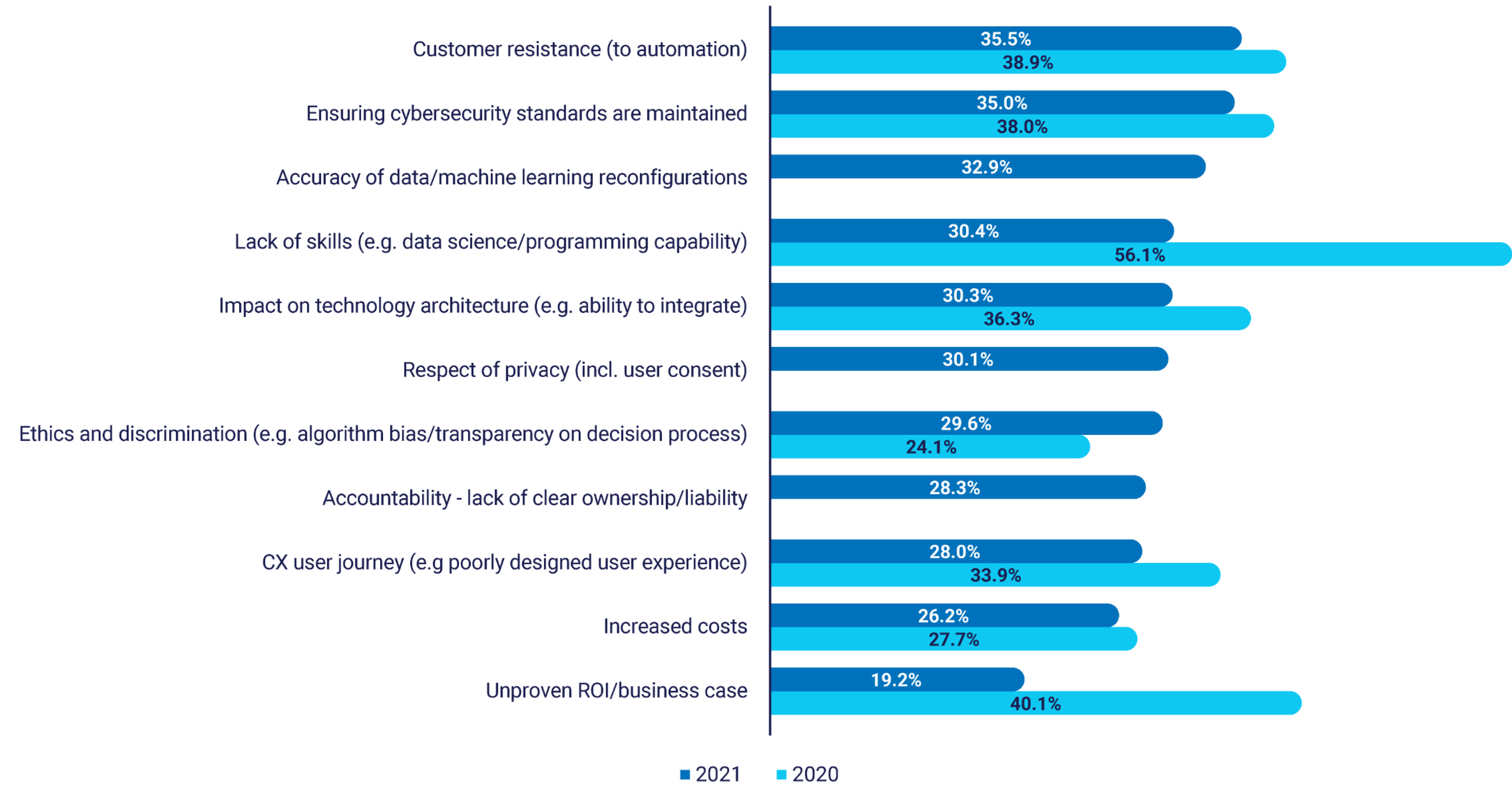*How much of your CX do you expect to be managed via robotics and AI automation now and in 12 months? n=1,359*

In our **2020 Global Customer Experience Benchmarking Report**, we saw that around 85% of organizations had automated less than a quarter of their CX processes. Most proofs of concept simply weren't making it to production. This year, the situation has it's almost reversed – over one-third of all CX is now being managed through automation and it's projected to grow to over 50% in the next 12 months.

Customer resistance and cybersecurity are the top challenges to automation

Cybersecurity and the configuration/accuracy of solutions are now a key priority. Business cases are becoming easier to validate.

Reducing but changing challenges of robotics/AI

	2021	2020
Customer resistance (to automation)	35.5%	38.9%
Ensuring cybersecurity standards are maintained	35.0%	38.0%
Accuracy of data/machine learning reconfigurations	32.9%	
Lack of skills (e.g. data science/programming capability)	30.4%	56.1%
Impact on technology architecture (e.g. ability to integrate)	30.3%	36.3%
Respect of privacy (incl. user consent)	30.1%	
Ethics and discrimination (e.g. algorithm bias/transparency on decision process)	29.6%	24.1%
Accountability - lack of clear ownership/liability	28.3%	
CX user journey (e.g poorly designed user experience)	28.0%	33.9%
Increased costs	26.2%	27.7%
Unproven ROI/business case	19.2%	40.1%

■ 2021   ■ 2020

Figure 18: Challenges of robotics and AI automation
What are the main challenges of robotics and AI automation? n=1,359

The challenges associated with AI-based automations have reduced significantly over the past year. Lack of skills was the top issue identified last year; this year, it drops to fourth place. There's still a great demand for automation skills but the fact that skills are less of a challenge for organizations is likely because automation is now a mainstream rather than an emerging technology. There have been significant advances in automation technology capability and, alongside that, a greater focus on training and skilling resources in automation engineering.

Customer resistance to automation is now the primary challenge facing organizations. They must therefore critically analyse the friction factors to adoption. Customers are pointing out that they are not satisfied with the limited functionalities of automation services, and that AI-based automation does not understand their queries or instructions. This does present opportunities for improvement, though, which we explore further on.

Improved efficiency is the top business benefit of automation

Improved efficiency has replaced CX as the top business benefit to introducing AI and robotic automation.

Top 5 benefits of robotics and AI automation:

- Improved efficiency
- Improved CX
- Increased speed of contact resolution
- Improved EX
- Cost reduction

Remote working and cost drivers may well explain why productivity and efficiency have pushed improved CX to the second spot this year. The cost benefits of offshoring CX have been replaced by an onshoring revolution, largely due to the pandemic, where automation is taking center stage.

Many organizations were not prepared for how the pandemic would impact them. Their rapid shift to automation wasn't part of their strategy but a way to ensure business continuity and manage volumes. Digital channels may not have resolved most of the interactions but were a simple and effective way to handle the load until the customer could talk to an agent. With a year's learning behind them, organizations are now finding that the top benefit of automation is improving the efficiency of core business processes.

This year's results show there's some realism and pragmatism in the market. While there's a continued drive for improved CX, for many organizations (and customers) automation is a means to an end. It's going down the path where it belongs – a must-have that's hidden, seamless and gives customers what they want.

If you don't automate it, you'll be overrun by it

There's been a surge in CX automation in the last year. People are concerned and isolated, so they're reaching out for information more than ever before. Organizations have seen that they have to bring in assisted automation services or face the risk of significant losses.

But rules-based automation, such as Interactive Voice Response (IVR), can manage only a very small portion of customer interactions. To go further, you need to understand the context of the interaction and what the customer is trying to say in that context, then match it to a set of similar situations that may have come up in the past. To move beyond traditional rules-based automation, elements of AI and machine learning are a must.

> **With a year's learning behind them,** organizations are now finding that the top benefit of automation is improving the efficiency of core business processes.
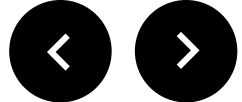
Extracting more value from automation

Measure expectations against reality

Organizations say they're getting their value from automation but that's not necessarily reflecting in improved CX. Given the circumstances of the last 18 months, this may be understandable. But ultimately it's the customer experience that matters and this is where organizations will need to shift their focus.

Satisfaction with CX automation has improved this year, possibly because customers and organizations now have a more realistic view of its capabilities and limitations. Enterprises may have tried to extract more value from automation than what was possible at the time, resulting in dissatisfaction when it didn't deliver. Now that we're at a point where the technology has matured and is advancing rapidly, expectations on both sides are moderating and should be more realistic.

1 in 5   **Over 1 in 5 organizations say robotics and AI are exceeding expectations.**

Effectiveness of robotics/AI automation compared to expectations

AI   -10.0%   -2.0%   26.0%   42.0%   21.0%

Robotics   -9.0%   -2.0%   23.0%   43.0%   24.0%

■ Not meeting expectations   ■ Undecided   ■ Partially meeting expectations
■ Meeting expectations   ■ Beyond expectations

Customers' rating of their interactions via robotics/AI automation

AI   34.9%   41.7%   23.4%%

Robotics   41.0%   40.5%   18.6%

■ Detractor (0-6)   ■ Passive (7-8)   ■ Promoter (9-10)

Figure 19: Challenges of robotics and AI automation
Are robotics and AI automation CX solutions delivering expected results? n=1,174

How do your customers rate their experiences of interactions via robotics? n=1,174

Comparatively low customer satisfaction ratings of automated solutions indicate there's an opportunity to improve these further (for example, by providing additional functionality).

Looking at the enterprise perspective, the figures from last year have mostly been inverted. In 2020, just 32.1% of organizations said AI and robotic solutions were meeting or surpassing expectations. This year, the collective figure has doubled (64.8%), largely due to improvements in these technologies and organizations having more realistic expectations of what they can do.

For consumers, automation appears to be doing the job – for now – but it's not really exciting them to the point of turning them into promoters. Comparatively low customer satisfaction ratings of automated solutions indicate there's an opportunity to improve these further (for example, by providing additional functionality).
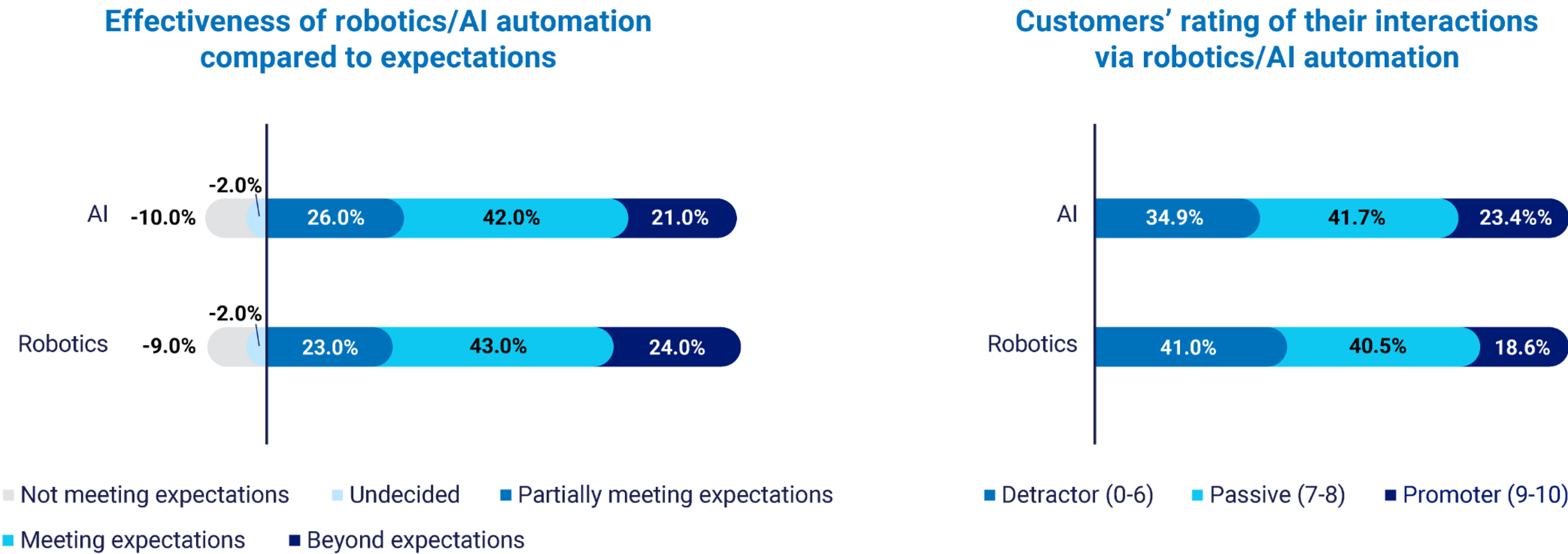
Consumer satisfaction with automated/digital CX solutions by age group

Age group	Strongly agree	Partially agree	Disagree	Don't know
18-24	41.8%	50.0%	1.8%	6.4%
25-39	44.8%	42.6%	8.4%	4.2%
40-59	29.7%	51.9%	13.3%	5.1%
60+	18.9%	49.8%	25.9%	5.5%
All age-groups	34.7%	47.9%	12.3%	5.0%

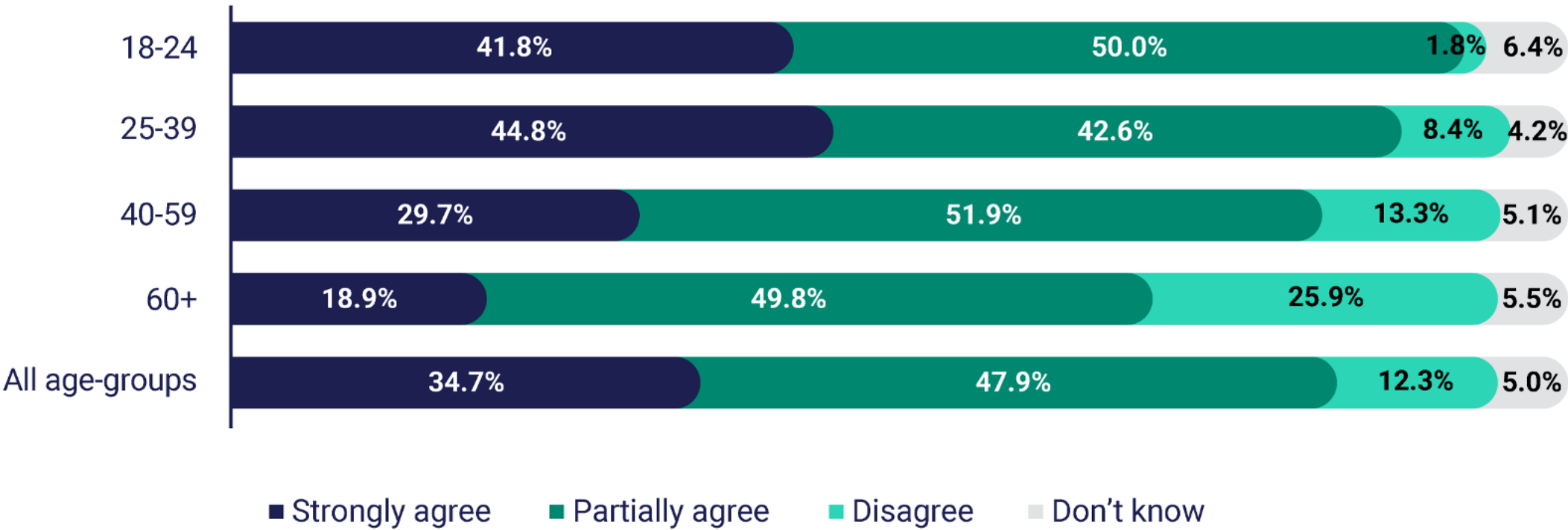■ Strongly agree ■ Partially agree ■ Disagree ■ Don't know

Figure 20: Only 1 in 3 consumers are fully satisfied with the digital automated CX solutions provided
In general, I am very satisfied with the automated/digital customer experience solutions? n=1,402

34.7% **One in three customers say they're fully satisfied with digital and/or automated CX solutions** (appreciation levels are slightly higher amongst younger age-bands, where technical proficiency and familiarity is higher).
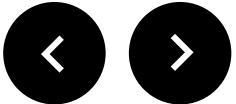
17.9% Just 17.9% of consumers rate digital/self-service CX at promoter level and almost half are at a detractor level (organizations rate it at 41.2% and 34.8% for robotic and AI respectively).

Customer ratings of digital/self-service contact channels
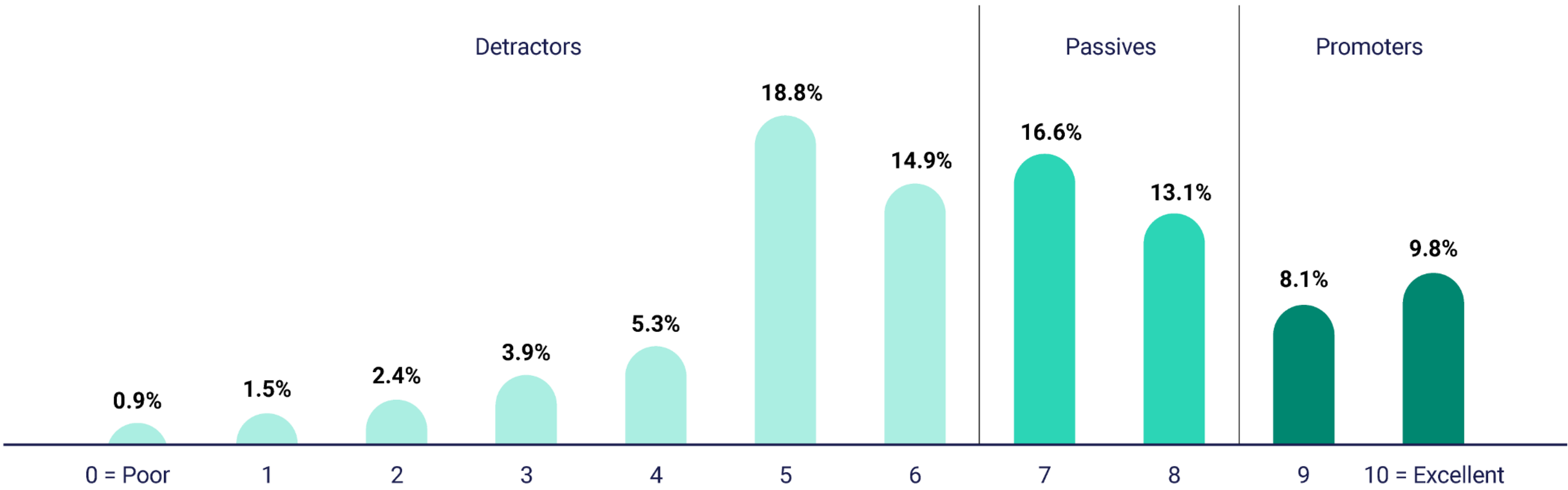

Figure 21: Customer ratings of digital/self-service contact channels
How do you rate your experiences of digital/self-service contact channels when contacting a company? n=1402

Automation *should* be intuitive and seamless – it defeats the purpose if you can feel the presence of technology. Self-service may not necessarily influence promoter scores, but if customers are aware of it and using it, and it's delivering the outcome you want to achieve, that's a good thing. Organic growth (or not) in the use of these solutions is a simple proof point of the effectiveness of your execution. **Manage customer expectations by explaining both the features and limitations of the technology.**

Offer customers more on digital channels

Organizations that are improving CX with automation and offering something new and unique to customers already have mature business operations and processes – and the budget and resources to take automation further.

Self-service may not necessarily influence promoter scores, but if customers are aware of it and using it, and it's delivering the outcome you want to achieve, that's a good thing.

3 reasons customers say digital/self-service systems fail to meet their needs:

- ⊗ They only offer limited capability/services.
- ⊗ They misunderstand my enquiry or send me to the wrong place.
- ⊗ They aren't personalized enough.

A significant observation from our VoC findings is that customers are no longer apprehensive about using automated services. On the contrary, they are dissatisfied with the limited capabilities of these services. We see this as a positive indication that expanded automation capabilities could improve customer satisfaction. **Organizations should therefore explore how they can offer more services through digital channels.**

Customer ratings may well improve as the technology matures and organizations can offer more through these solutions – particularly when automation gets to the point where it can understand context and offer empathy.

Implement automation wisely

How you automate is more important than what you automate.

Most of the automation technology currently available is comparable in terms of its capability and functionality. The real value lies in what you do with it. 'Out-the-box' automation can be done cheaply and right away – as it should be – but how do you expand on that with leading technologies such as advanced voice recognition, natural language processing (NLP) and AI, and without breaking what you have?

And the implementation is just the beginning. You need to be able to monitor and control the pieces of software behind the automation. It may be easy to manage a few bots, but how do you maintain them and ensure they're working when you get to much larger volumes? Implementing an automation proof of concept is one thing, but it's entirely another matter to develop a robust, industrial-strength robotic ecosystem with adequate wrap-around services.

This is why we recommend setting up a center of excellence, with people who understand the technology on the edge, to increase the pace of CX automation. Find a partner that's investing in R&D to bring in these new technologies and the latest AI engines. Their tools and accelerators will take you beyond the vanilla capabilities of your automation software. And ensure you're integrating cybersecurity in all your CX automation activities.

[Read more: Spotlight on CX security]

Augmenting the human touch

CX is moving to the world of added-value and being recognized as a revenue-driver. To get those promoter scores up, automation that supports the human is key.
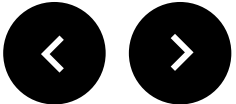
54.2% **The majority (54.2%) of organizations strongly agree that human-led support remains a critical CX channel option and sends a valuable brand message to customers.**

When employees aren't engrossed in capturing customer data and finding information, they can focus more on understanding the context of the interaction, what the customer needs and how to meet that need. Automation should therefore enable employees to make decisions based on data they can access, instead of spending most of their time capturing data.

50.0% **Just 50.0% of organizations fully agree that CX agents are equipped with tools to augment customer insights and enable capability.**

Automate tasks that don't require human cognition or emotion – use rules-based steps to verify or validate, for example. Run automation in the background to provide the employee with the information they need to answer customer questions and prompt them to move on to the next step.

> **When employees aren't engrossed in capturing customer data and finding information,** they can focus more on understanding the context of the interaction, what the customer needs and how to meet that need.

CRÉDIT AGRICOLE

Case study

Chatbot lets Credit Agricole speak to their customers on their own terms.

When COVID-19 prevented Credit Agricole's customers from visiting their branches, they needed to find a new way for them to get information. Working with us, they implemented a chatbot that lets customers interact using natural language to access information on banking services.

'We understand our customers and we didn't want to force them to interact with us in a way they weren't comfortable with. We needed a solution that allowed us to stay true to our principles but took some of the load off our contact center.' Iga Stępień, Product Owner Channel Excellence & Omnichannel Orchestration, Credit Agricole Bank Polska

Read the full case study
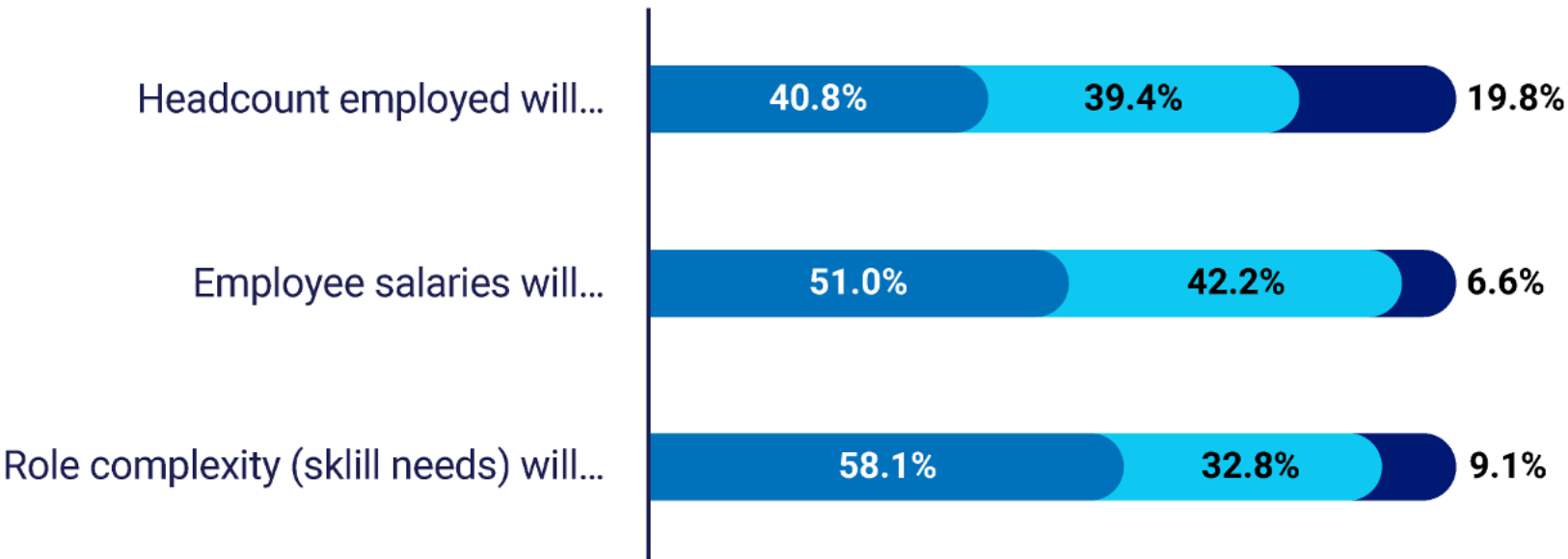
Support the employees who deliver human experiences

Advancing digital transformation will have an impact on operating models, roles and skills over the next two years.

Top 5 skill areas required:

- Cybersecurity
- Solution design
- AI
- Cloud
- Integration [enterprise]

While one in five organizations say headcount will drop in the next two years, two in five say it will rise.

Impact of digital transformation on operating models

Headcount employed will…	40.8%	39.4%	19.8%
Employee salaries will…	51.0%	42.2%	6.6%
Role complexity (sklill needs) will…	58.1%	32.8%	9.1%

Skill areas required

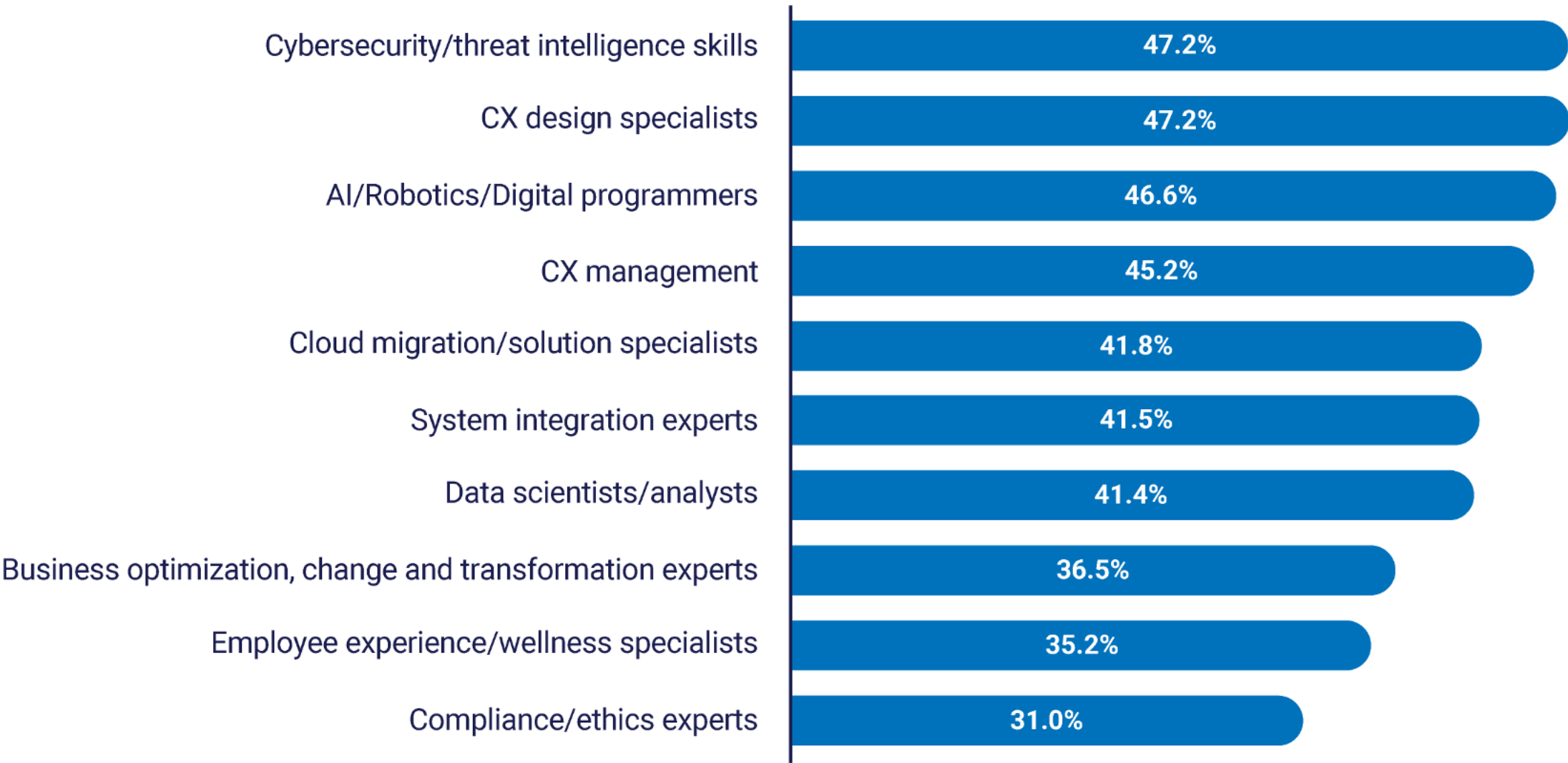|	
Cybersecurity/threat intelligence skills	47.2%
CX design specialists	47.2%
AI/Robotics/Digital programmers	46.6%
CX management	45.2%
Cloud migration/solution specialists	41.8%
System integration experts	41.5%
Data scientists/analysts	41.4%
Business optimization, change and transformation experts	36.5%
Employee experience/wellness specialists	35.2%
Compliance/ethics experts	31.0%

Figure 22: Expected impact of digital transformation on operating models, roles and skills
How will advancing digital transformation (incl. robotics and AI automation) impact your operating model in the next two years? n=1,359
Which, if any, of the following skill areas will you employ more of as a result of your advancing digital transformation? n=1,359

Organizations must pay attention to reskilling their workforce. Most are projecting that, although they'll see efficiencies in their operations and a lower headcount, automation will lead to an increase in employee compensation as the complexity of roles increases. Build a comprehensive roadmap to upskill your employees in the digital technologies needed to work alongside and manage these automations.

Address challenges of remote working with technology

The shift to work-from-home models has introduced several challenges for employees and enterprises alike.

53.6% of employees currently working from home fully agree they have all the tools they need to perform their role, just 41.3% of hybrid workers report the same.

Issues with security, access to corporate applications, limited bandwidth and system functionality have made it difficult to keep employees compliant and productive.

Technology can really bridge the gap and solve many of these problems. Cloud solutions have made it possible to implement workforce-engagement features that support employees who work remotely. The CX, collaboration and productivity worlds are merging, with many productivity tools now available natively to CX users, enabling access to real-time, context-driven information. Cloud offers computing capacity and AI-infused features such as speech recognition, text recognition, and emotion detection that can support employees in real time. It's easy for employees to use these tools to get advice from a supervisor or escalate an interaction, which helps them feel less isolated, while keeping customers happy.

It's a massive investment to retool systems to enable remote workers, but a small investment to automate the interface between remote workers and the corporate systems they need to access. Spend the money to save the money.

Automation technologies cannot be considered in isolation but need to be brought together to deliver a meaningful experience to customers. Augmented CX happens when automation and humans work together in step. You'll know you've arrived when automation supports employees with the information they need, there and then, so they can focus on building human connections that convey empathy and have a positive impact on the overall experience.

Section 4

Reinforce the human touch between CX and EX

As simpler customer interactions and transactions have moved to self-service, the more complex elements of the customer journey are now in the hands of employees who have the knowledge, skills and ability to engage at a more human level. Organizations need to augment their employees' capability with tools that support and enable them in a variety of ways to deliver efficient, frictionless CX.
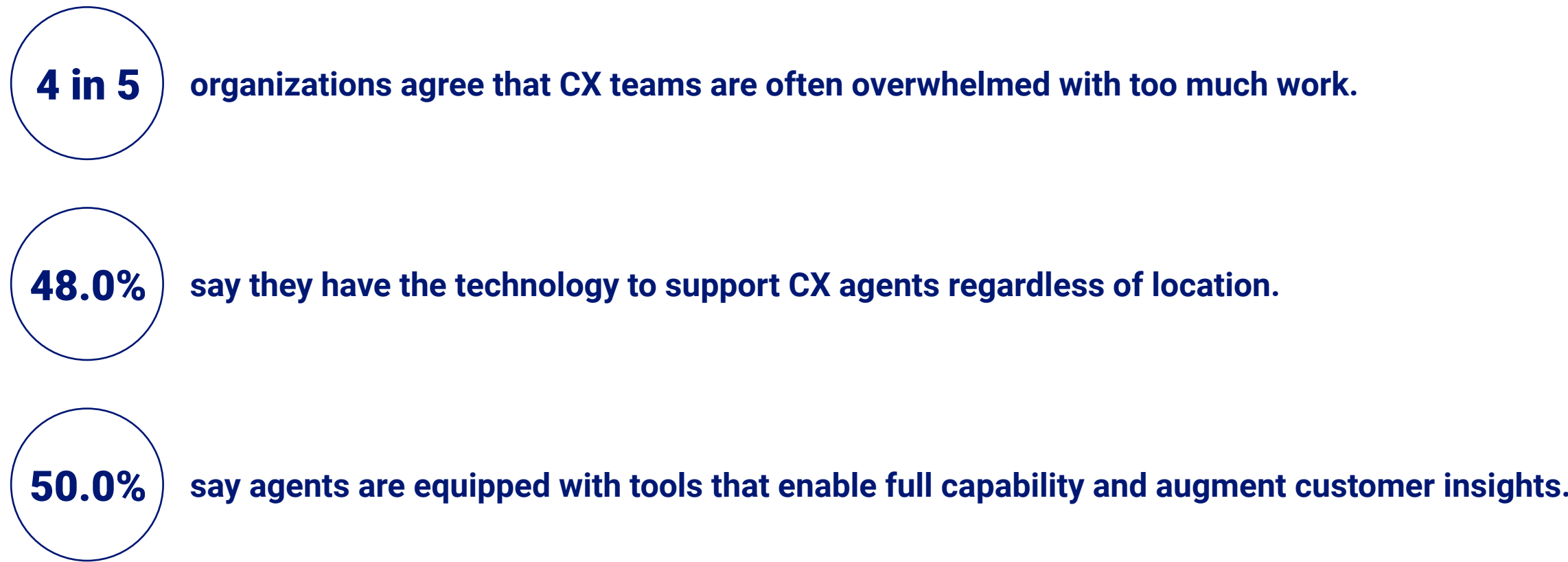
Read on

Strengthening human interactions

While most organizations agree that human-led support remains a critical CX channel option, only half are investing in tools to support CX agents.

4 in 5 organizations agree that CX teams are often overwhelmed with too much work.

48.0% say they have the technology to support CX agents regardless of location.

50.0% say agents are equipped with tools that enable full capability and augment customer insights.

It's a natural human trait to want to interact with other humans. Many people have felt isolated during the pandemic and this has changed the way consumers want to engage with organizations. Our VoC findings show they're not averse to using digital channels, but the main reason for not using these channels is that they'd rather speak to a human.

In some cases, this may be because organizations moved quickly to meet changing market environments and customers had to use human-led channels for transactional services, which they wouldn't have done before. This situation may reverse again, but there will always be a need for human engagement when dealing with high-value services, escalations or complex products, especially when there's a fear of getting things wrong – which is why human-led support remains critical.

Augmenting these human interactions is about creating the right customer experiences at the right times. That means giving customers the choice and ability to select their preferred channel and break out seamlessly from digital to speak to a human when they want to – and, when they do break out, ensuring that the person they interact with is fully enabled to efficiently meet and resolve the customer's needs.

Successful organizations have recognized this, and exploited the gap between those who chose to automate at all costs while still trying to hang on to their traditional business models.

The pandemic has been a catalyst for accelerated business change. Organizations now need to backfill the gaps created by new operating models, and invest in tools that will enhance EX and create powerful human connections at those critical moments of truth for the customer.

There will always be a need for human engagement when dealing with high-value services, escalations or complex products, especially when there's a fear of getting things wrong – which is why human-led support remains critical.

Addressing challenges to EX in a new world

53.6% **The majority of employees currently working from home agree it's a challenge for both them and their employer.**

Over half of home and half of hybrid workers say their employer struggles with having employees work at home

Statement	Fully agree	Partially agree	Partially disagree	Disagree	Don't know
My employer struggles with having employees work at home	24.3%	29.0%	20.0%	14.2%	12.0%
Working at home is challenging or problematic for me	24.0%	29.7%	19.3%	19.9%	7.1%
My company's information is safe when I work from home	43.2%	33.4%	7.8%	2.4%	3.3%

- Fully agree
- Partially agree
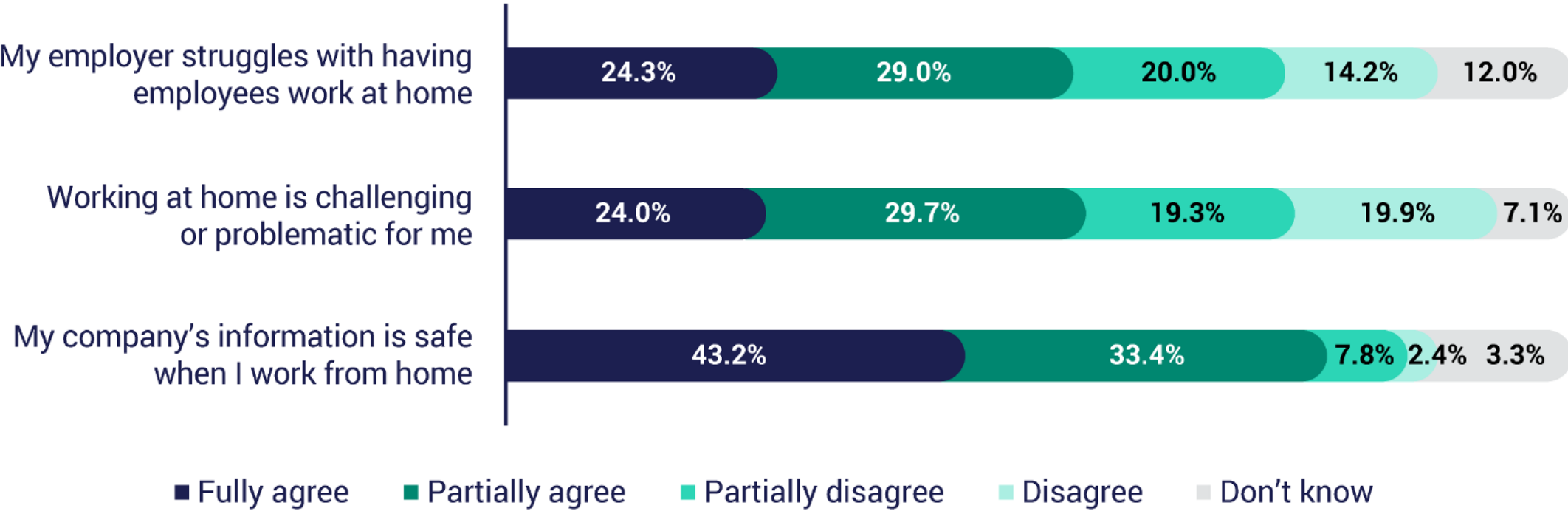- Partially disagree
- Disagree
- Don't know

Figure 23: Employee view of remote-working challenges
To what extent do you agree or disagree with each of the following statements? (Base: all remote/hybrid employees) n=736

Most organizations are struggling to support their CX agents, although leaders, disruptors and fast-growing enterprises are ahead of the curve.

Employees are highly engaged in delivering CX	Global benchmark: 44.2%	Industry leaders: 56.5%
Knowledge management systems are being used to fully enhance and enable CX	Global benchmark: 45.4%	Fast-growing companies: 56.5%
The organization has best practice technology tools	Global benchmark: 44.7%	Industry disruptors: 61.5%

Employee enablement (technical skills and training) and employee enhancement (knowledge and navigation tools) are the top areas organizations will be focusing on in the next 12 months to enhance their CX capability. Industry leaders, disruptors and fast-growing companies are further advanced in these areas, but many organizations are struggling to keep up with the pace at which new products and services are being made available to meet customer demands.

For many enterprises, the rapid transformation of their operating models and uptake of work-from-home and hybrid working was a reaction to change rather than a purposeful strategic move. Our findings show that only 44.9% of CX teams were able to pivot quickly and effectively. As a result, they didn't have tactical and operational delivery plans in place to support employees.

The focus in the last 12 to 18 months was largely on enabling employees to work remotely and monitoring their performance. Less time and effort was spent on how to engage with them and replicate peer networking. As our findings show, this has created challenges for employees and employers alike.

The pressure to be 'always on' coupled with the adjustment to new ways of working and getting to grips with new tools and applications has had an impact on employee wellbeing and morale. To address this, organizations should focus on three key areas:

1. The technical issues

Whether they're set up with laptops and mobile devices or working from desktops that have been moved to their homes, employees need more than hardware and applications to deliver great CX. The global shortage of the Intel chip has created huge challenges, as have latency issues. While large business process outsourcing (BPO) and contact centers have clearly defined latency, LTE and fibre to the home don't always guarantee the same quality of service consistently.

This creates friction for customers and rising stress levels for the employees who aren't able to engage with and serve them effectively. Added to this, remote technical support for employees working from home has not evolved fast enough, which can compound the effort involved for both the customer and employee.

The need to deliver great experiences, increase agility, performance and availability, and reduce risk, are the value drivers propelling organizations in today's digital economy. An intelligent and secure network fabric is vital to support and manage software-defined, high-performance hybrid environments.

Read more: Networking technology that grows with you

2. The physical environment

Many employees have struggled with work-from-home arrangements. Again, they may have been given tools to perform certain tasks, but they're doing so in spaces that aren't necessarily ergonomically friendly, and where lighting and acoustics are likely to be suboptimal. In addition, their households often comprise other people who are also trying to work (or get homework done!). This creates emotional and mental stress when trying to balance their commitments to their family and employer, with significant overlap.

3. The need for human interaction

Then there's the human interaction piece to consider. Most people who work in CX support roles – in contact centers, BPO and global business services (GBS) environments – are extremely social. They like working in teams. They enjoy the buzz and energy of being around others, and having immediate access to peer-to-peer support in those environments. Some employers have provided online tools to support employee wellbeing, but the uptake of these tools has been variable, at best. Like customers, employees want to be able to speak to other humans.

AI capabilities have huge potential to improve both EX and CX in this context. They can provide employees with access to information based on the context of the information, alert leaders to remote-in when the employee needs support, and route unresolved queries to escalation queues. Predictive and sentiment analytics provide insight into how organizations have enabled employees through training and whether employees feel equipped and capable to perform their tasks.

Improve recruiting and onboarding

Markets such as online purchasing have grown significantly in the last year. To accelerate sales and manage higher workloads, organizations in these markets had to rapidly increase their staffing capacity at short notice and recruit from a larger labour pool across industries.

But the onboarding, training and skilling of employees who are new to an industry and don't have much product knowledge can create challenges, especially in a remote or hybrid working environment. In addition, the considerable shift towards digital channels has had a big impact on how enterprises ensure they have the skills to service them.

In most instances, traditional ways of recruiting based on resumes and previous experience are not as effective as digital recruitment and profile-matching in bridging competency gaps and getting new hires up to speed. Employee personality plays a huge role in performance. Consider implementing character-based recruitment methods that match people to your environment and the profiles of your top performers. Using digital platforms for recruitment can help to smooth the rough edges for both the employee and employer.

Focus on high-value and ultra-high-value customer training initiatives and how to use AI, RPA and machine learning to increase speed to competency and learning effectiveness for employees who are serving customers in a different environment. **Senior roles that didn't exist a few years ago, such as head of conversational AI resources, are now sought after.** Organizations realize they need high-calibre resources to build their conversational AI strategy, not only for communicating directly to customers but also to augment EX and help employees deliver a better customer experience.

Enable remote coaching and training

The interaction between CX agents and team leaders is usually straightforward when they're in the same physical space. It's fairly easy to identify when agents need assistance (follow the waving hand) or are feeling under pressure, and step in to give them guidance, information or support.

Technology will play a big part in enabling team leaders to perform this important role remotely, and in real time, just as they would in a physical environment. The integration of collaboration tools into EX to help employees feel supported and engaged will continue to evolve, providing more insight into important but intangible things that impact on performance – like how employees are feeling, how they're managing their workload and when they need a human connection themselves.
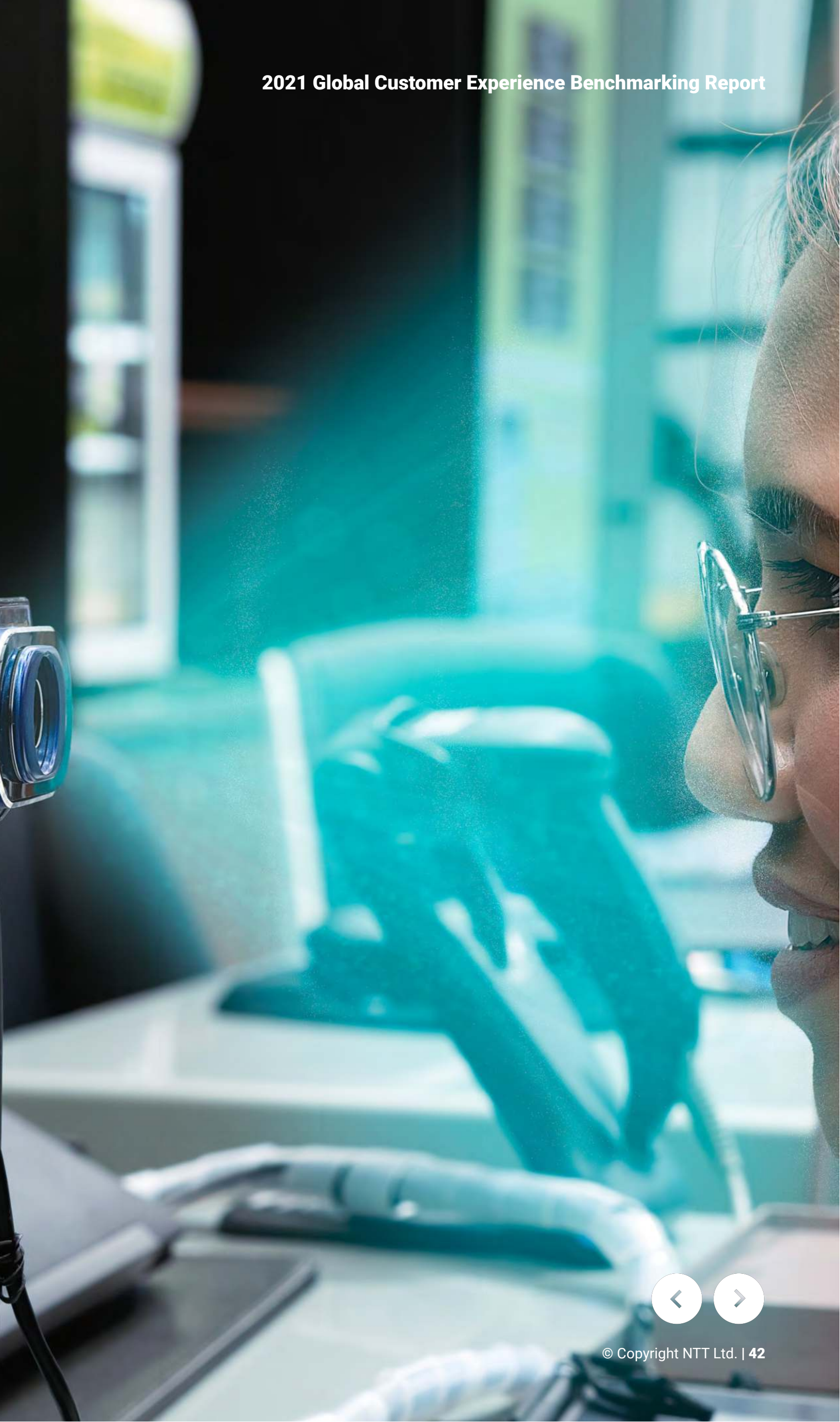
Enhancing CX through EX

Industry leaders are driving results and business growth through innovation and technology to better support agents. They're almost twice as likely to leverage AI, over four times as likely to use RPA to automate manual tasks, and 50% more likely to have implemented predictive or sentiment analytics.

Industry leaders are driving results and business growth though innovation and technology to better support agents

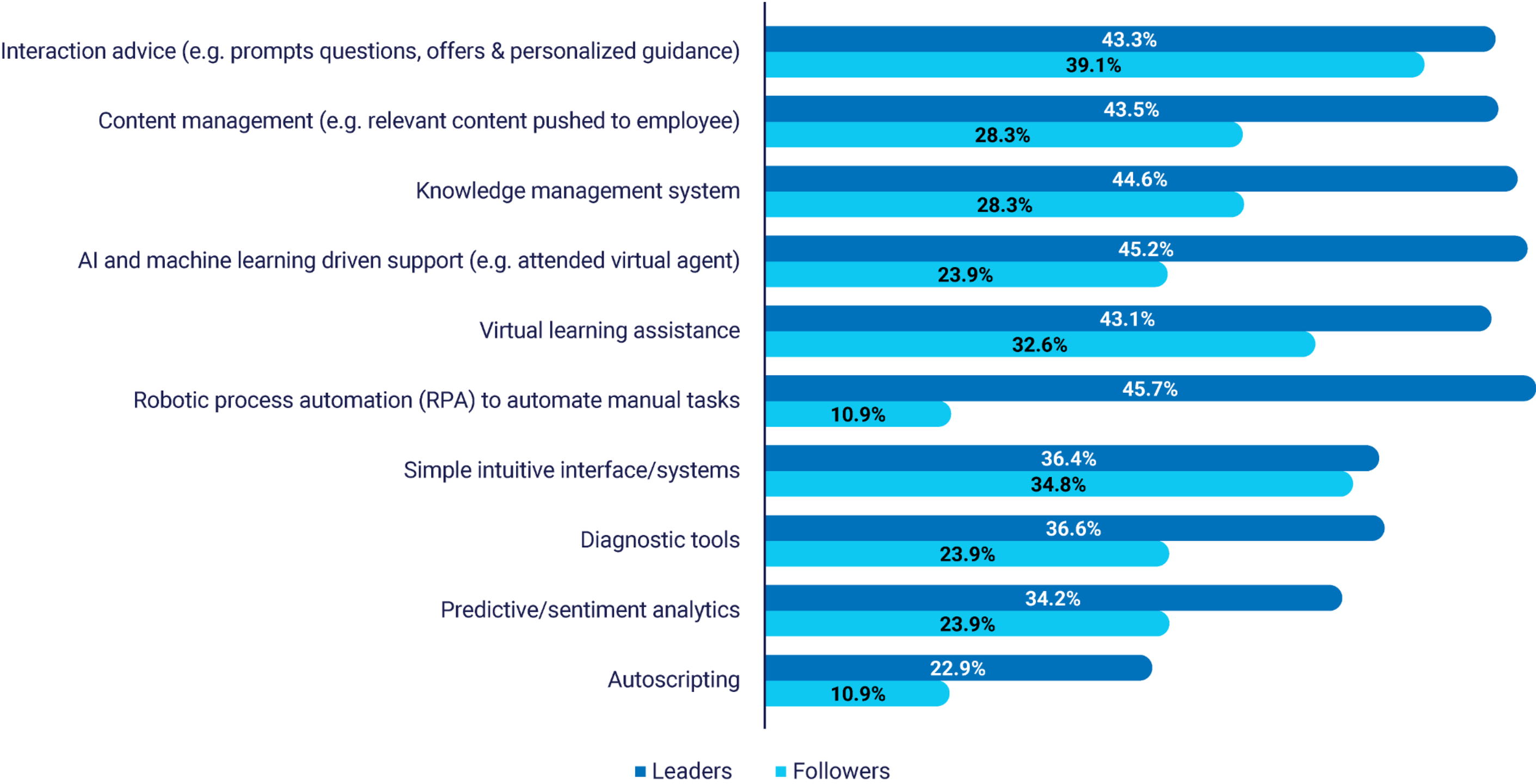|	Leaders	Followers
Interaction advice (e.g. prompts questions, offers & personalized guidance)	43.3%	39.1%
Content management (e.g. relevant content pushed to employee)	43.5%	28.3%
Knowledge management system	44.6%	28.3%
AI and machine learning driven support (e.g. attended virtual agent)	45.2%	23.9%
Virtual learning assistance	43.1%	32.6%
Robotic process automation (RPA) to automate manual tasks	45.7%	10.9%
Simple intuitive interface/systems	36.4%	34.8%
Diagnostic tools	36.6%	23.9%
Predictive/sentiment analytics	34.2%	23.9%
Autoscripting	22.9%	10.9%

■ Leaders　■ Followers

Figure 24: Systems and tools used to improve employee interaction with customers
What systems and/or tools, if any, do you have available to enhance and improve employee interaction with customers? n=1,359

EBTS PRO ASSIST

Case study

New communication platform for EBTS Pro Assist enables automation and drives improved CX

EBTS Pro Assist migrated their existing tools and integrated them into a single cloud-based Genesys platform for contact centers. The automation of recurring processes means customers are now served faster and more effectively, and most problems are solved after the first contact. An efficient communication process leads to less time wasted for EBTS Pro Assist customers.

'Should another situation like COVID-19 arise, this implementation will allow us to switch to teleworking almost immediately. Or in the event of extremely high call volumes, we could ask staff to log in and help out from home.' Frank Van Parijs, Managing Director EBTS Pro Assist

Read the full case study

Industry leaders have implemented CX technologies with a focus on their customer base, starting with the automation of simple tasks. They're now automating the diagnostics piece, too, leveraging AI and analytics to classify contact categories and outcomes, and direct more complex interactions to employees. Highly automated organizations are typically enjoying a 10%+ uplift in EX, new customer acquisition, commercial performance and ease of resolution.

Those that have progressed their CX optimization strategy are gaining significant benefits.

Optimized CX strategy key to releasing positive outcomes

	Complete/Advanced	In development	In planning/No strategy
Increased customer engagement/value	49.6%	45.7%	31.0%
Increased customer loyalty (incl. retention)	48.4%	40.7%	37.9%
Improved employee experience	47.8%	36.8%	31.0%
Increased new customer acquisition	44.8%	39.5%	24.1%
Improved brand positioning (i.e. reputation & trust)	43.6%	39.8%	27.6%
Improved commerical performance	43.5%	37.7%	17.2%
Improved ease of resolution	39.0%	24.6%	17.2%
Reduction in costs	31.5%	29.1%	31.0%

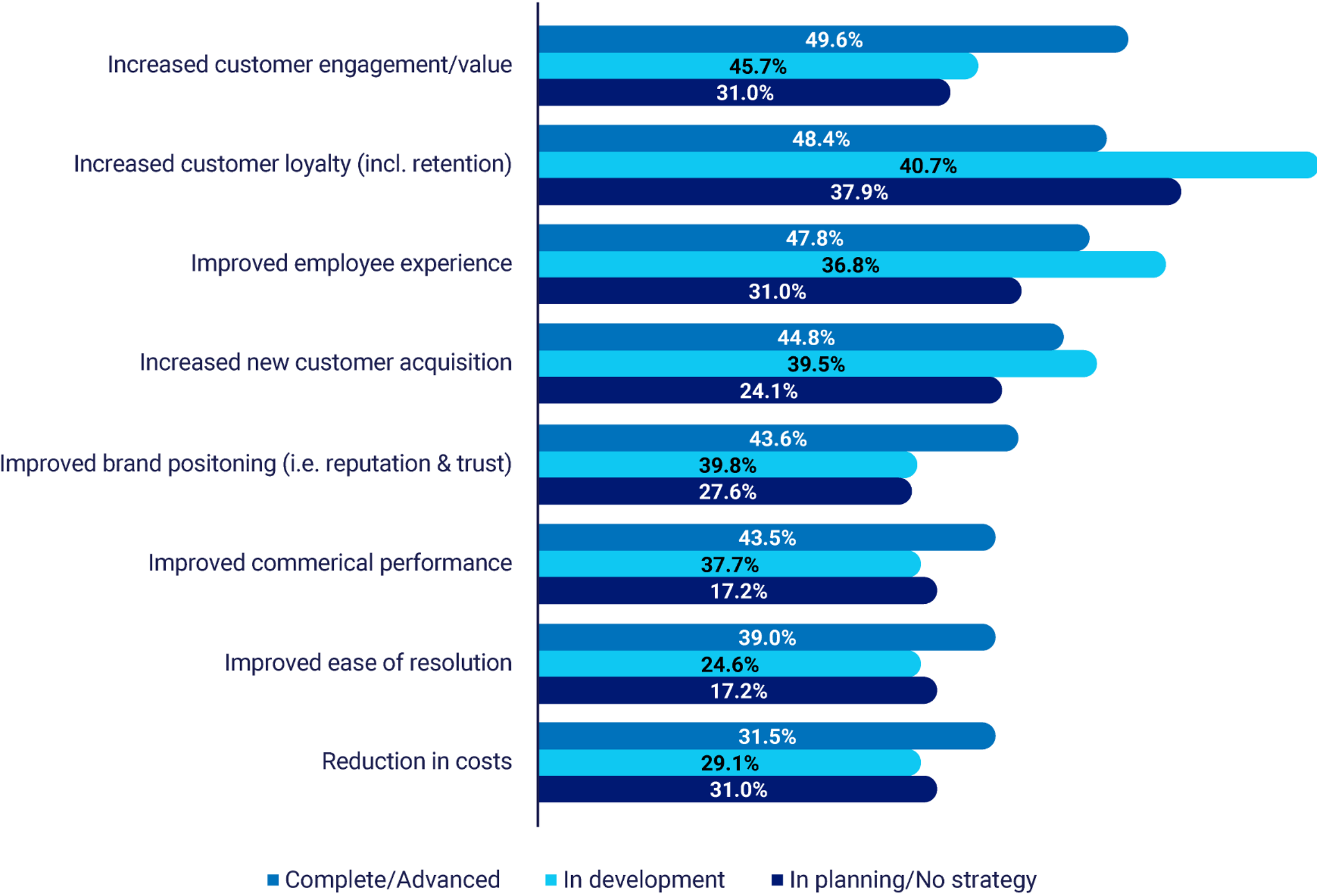■ Complete/Advanced   ■ In development   ■ In planning/No strategy

Figure 25: Outcomes of evolving CX strategy
In the last 12 months, which, if any, of the following can your organization evidence as outcomes from your evolving CX strategy? n=1,359

The use of AI/analytics to analyse performance and efficiency is still a key focus, but some organizations are now looking at how to use these technologies to gain insight into customers' experiences and loyalty.

They're using the data captured through automation and employee enablement toolsets to drive commercial value, remove friction from servicing processes and drive continuous improvement practices in the organization.

For example, AI-generated transcriptions of customer interactions can provide valuable, next-day competitive insights. Organizations can use this technology to extract data from interactions where customers discuss their frustrations with the business, mention a competitor or give reasons for why they're leaving. This information can be used to drive a range of improvements in the business – such as altering pricing, implementing marketing promotions, changing processes or revising key product features.

Measurement of CX operations performance now more outcome-led

This year's top five indicators used to measure CX operations performance present a more realistic focus and apparent maturity towards an outcome-led approach. Internally measured customer satisfaction is the key indicator of performance, followed by customer retention/churn, sales performance and VoC feedback.

Rank	2019	2020	2021
CSAT (internal scoring mechanisms)	2	1	1
Customer retention/churn	11	7	2
Sales performance (incl. customer value/leads generated)	6	8	3
VoC feedback	Not asked	5	4
Workplace productivity (incl. efficiency)	7	10	5
Quality control/process adherence	5	6	6
Average response times	4	2	7
Net Promoter Score (incl. positive referrals/feedback)	3	4	8
First Contact Resolution (FCR)	1	3	9
Employee experience (EX)	9	9	10
Customer Effort Score (CES)	Not asked	13	11
Cost to serve (incl. budget performance)	8	12	12
Customer lifetime value	Not asked	Not asked	13
Consumption of automated content (e.g. digital usage/self-service completion)	10	11	14

Figure 26: Primary indicators used to measure CX operations performance
What are the primary indicators used to measure your CX operations performance? n=227

While CX-based metrics were in the top five last year, the measures organizations are focusing on now are based more on the outcomes they're expecting from their CX strategies. Internal scoring mechanisms for customer satisfaction (CSAT) indicate primacy – whether customers are more likely to purchase from you or a competitor – while customer retention is a significant indicator of dissatisfaction. Customers speak the loudest when they leave!

VoC feedback is a far more realistic measure of customer sentiment than traditional quality assurance (QA) metrics based on what an employee did or said. It's for this very reason that QA is being transformed to align more with the customer's actual experience.

As customer expectations of service delivery have changed dramatically in the last 18 months, there's a huge focus on reducing turnaround times. And if you're not responding quickly to customers on social media, you've lost them. It's therefore no surprise that improving factors which ultimately affect response times (workplace productivity and efficiency) is now seen as an important way to gauge performance.

> **VoC feedback is a far more realistic measure of customer sentiment** than traditional quality assurance (QA) metrics based on what an employee did or said.

A 48-hour SLA to respond to a customer email just doesn't cut it anymore.

Our data shows that CEOs rank EX as one of the top-three indicators of strategic performance, yet it just makes the top-10 list of indicators used to measure CX performance. If this doesn't change, it will affect talent retention, which in turn will impact on the organization's ability to deliver CX.

To augment their CX capabilities, organizations need to augment the employee experience, too. Technology must support a CX ecosystem built around their customers and strategy, and optimize EX through automation and collaboration tools.

Spotlight on: Data privacy and CX security

3 focus areas for security in augmented CX

Data breaches are a massive risk to brand reputation and customer trust, which explains why cybersecurity is now ranked second on the list of top 10 technology initiatives being prioritized in CX (in our previous three Reports, it was at the bottom of that list).

43.0% — **Just 43.0% of CX decision-makers say that their cybersecurity systems (including fraud) meet their current and future needs.**

One in three organizations say security risks increased during the pandemic, which also presented challenges to protecting customer data. To address this, organizations are looking to employ more people with cybersecurity and threat intelligence skills.

The security and privacy of personal data is a worry for consumers, too. It's one of the top three factors influencing their brand loyalty and one of the top four discouraging them from using digital channels.

Our 2021 Global Threat Intelligence Report reveals that hackers are taking advantage of global destabilization by targeting essential industries and common vulnerabilities caused by the shift to remote working. An analysis of threat data from our proprietary NTT resources revealed that more than 67% of all attacks were through remote access (web applications or application-specific).

As organizations look to augment their CX capabilities, security must be an essential element of their CX strategies, customer journey design, employee enablement and digital transformation efforts.

Our contributors to this year's Report identified three broad areas where CX security comes into focus.

1. Security in authentication

Multifactor authentication used to be a pain point for customers. Now that more customer services are digitized and security breaches are all over the media, it's accepted and expected – but remember that customers want you to validate them once and do it quickly! If they've been validated on a chat and then move to an agent, they don't want to go through the process again.

Look at authentication processes across customer journeys for different products, services and personas. What would be easiest for customers in each context? And what's the alternative if, say, they don't have a mobile phone or it isn't with them when they contact you?

Find a better substitute for security questions, which aren't always that secure anyway. A voice print in combination with multifactor authentication can remove friction and effort, while giving customers a level of comfort that the interaction is secure. Bots in IVR are also becoming more common.

2. Security in automation

We are witnessing an unprecedented explosion of cyberattacks of increasing sophistication, and the risk of compromising cybersecurity when implementing wide-ranging AI-based automation in CX space cannot be taken lightly.

Customer Security Awareness (CSAw) cannot be an afterthought in automation. Cybersecurity elements must be embedded in DevOps, and security testing integrated with the development of automation capabilities. Make your CISO organization an integral part of your automation CoE to ensure you architect your automation offerings with inbuilt safeguards such as secure SDLC and penetration testing.

3. Security in analytics

Data privacy and compliance is the top challenge affecting organizations' data analytics capability. When selecting a platform to support your CX analytics, ensure it has robust, built-in security features.

Organizations cite security as the main concern and challenge presented by cloud. But on-premise or hosted solutions can't support security the way cloud solutions can. A few years ago, cloud wasn't seen as something that could fulfil the security requirements of certain sectors, such as public enterprises and financial services. Now, all sectors are consuming cloud, which has, if anything, superseded the regulatory, compliance, security capabilities of traditional solutions.

Having processes and solutions that comply with various data privacy standards and regulations is non-negotiable to gaining trust. Demonstrate this compliance to your customers to build their confidence and your credibility.

Read more in the 2021 Global Threat Intelligence Report.

Section 5

Regional insights

Read on

Regional insights

AMERICAS

Organizations in the Americas evidence several best practices in CX strategy and leadership, and are seeing the benefits reflected in customer ratings.

78.7% of organizations in the region say their CX strategies are well advanced or complete, compared to just 69.2% in other regions. 82.8% now have a board-level executive assuming overall accountability for CX (global benchmark: 72.9%).

Over half (51.7%) strongly agree that their employees are highly engaged in delivering CX – 21.6% higher than the global average of 42.5% – while 59.4% say that agents are equipped with all the tools they need to augment customer insights and enable CX capability (the average outside of the region is just 47.7%.).

Organizations in the Americas are most likely to fully involve their CX teams in the design of new technology solutions and use robotic automation and/or AI to manage their CX. Currently, 30.0% use robotics and/or AI for over half of their CX (versus an average of 20.8% outside of the region) and 63.6% expect they'll be processing most of their CX via digital systems within the next six months – the most ambitious forecast of any region.

These advances are reflected in customers' ratings of CX. In the Americas, 41.3% of organizations receive a promoter-level rating for CX (i.e., a score of 9 or 10 from a scale of 0-10). Elsewhere, the average is 26.8%.

ASIA PACIFIC (APAC)

APAC takes the lead over other regions in maintaining a voice of the customer (VoC) program and leveraging technology to collect and interpret customer data. However, the adoption of digital CX channels is more of a challenge than in other regions.

48.0% of organizations in APAC say a VoC program is crucial to their CX delivery and another 45.8% say it's quite important. The use of AI systems, including machine learning, to collect and interpret customer data is highest in this – region over one-third of organizations in APAC (35.1%) currently have this capability.

However, more than a quarter (27.6%) say they are impacted by not yet being active on their customers' preferred channels. APAC is the region where customer adoption and use of digital channels is most negatively affected by the quality of information available on the channel, followed by customer resistance to and customer awareness of the solution.

Concerns about customer data and privacy are another challenge, with 42.5% of organizations in APAC saying the COVID-19 pandemic increased risks relating to the protection of customer data and privacy (e.g., when agents were working from home). That's 32.0% higher than the rest of the world, where just under a third (32.2%) were impacted by same.

EUROPE

For organizations in Europe, CX is less likely to be viewed as a primary differentiator and aligned with their business strategy and positioning. Board-level or executive accountability lags that of other regions, as do satisfaction levels with the organization's CX capability.

In Europe, 33.1% of organizations view CX as a primary differentiator. The average outside the region is 47.6%, with global leaders and industry disruptors being even further ahead (57.1% and 64.0% respectively).

This may explain why only 37.3% of organizations in the region say their CX strategy is fully aligned to their business strategy and positioning - 46.1% behind other regions, which have set a benchmark of 54.4%. Board-level or executive accountability for CX is also lower: 63.3% of organizations in Europe now have a nominated board-level executive assuming overall accountability for CX, compared with 79.6% in the rest of the world.

Just one-third (34.6%) of organizations in Europe report their existing data analytics and data visualization systems meet current and future needs (26.3% behind the rest of the world). 40.7% view CX design principles and guidelines (including regular process and optimization reviews) as being crucial to the organization's operational delivery of CX – an area that ranks much higher in every other region, where the benchmark is 52.8%.

Satisfaction levels with organizational CX capability are lowest in Europe. Only 38.1% of organizations in the region are very satisfied, compared with 47.9% in the rest of the world.

MIDDLE EAST AND AFRICA (MEA)

Employee enablement, flexible operating models for a distributed workforce and a focus on upskilling and reskilling distinguish organizations in MEA from other regions. More organizations in the region expect technology budgets to increase and headcount to decrease in the near future.

For 71.4% of organizations in MEA, employee enablement is viewed as being the most impactful initiative for reshaping and improving CX capabilities in the next 12 months (just 55.0% of organizations outside the region say the same). 61.1% see upskilling and reskilling as crucial, compared with 50.9% in the rest of the world.

Organizations in MEA are the most likely to be progressing options to enable a more flexible operating model that caters for a distributed workforce. More than half (55.1%) say this is crucial for their CX delivery – 16.7% higher than the rest of the world.

Over half (52.4%) fully agree they have best practice technology solutions (18.9% higher than the 42.5% average for the rest of the world). As a result of advancing digital transformation, 76.8% (versus a 66.8% average for other regions) say technology budgets will need to increase in the next two years and 31.4% anticipate a decrease in headcount (nearly double the average of 17.7% for other regions).

MEA leads other regions in using social media as a CX channel 56.2% of organizations offer fully supported customer service via social media, 12.2% ahead of the benchmark for the rest of the world. However, customer resistance to automation is highest in this region, at 44.9% compared with 33.9% outside the region.

Conclusion

From intelligence to execution… next steps
Customer choice, hyperautomation and a hybrid workforce form the new foundation for growth.We're now starting to embark on a human-centered and augmented customer experience strategy, where customers have greater choice and control, and organizations that really listen to and respect their choices are rewarded with increased spend and share of wallet.

Adapting to new operational practices created during the pandemic, the acceleration of artificial intelligence (AI), the mainstream adoption of disruptive innovations and, most importantly, the power of customer choice combine to mandate a harmonized, progressive CX strategy to ensure survival and successful growth.

Read on

Develop CX strategies that optimize value

Customer expectations are high but not unattainable. Understand what they need, deliver it and be agile enough to pivot when those needs change. Invest in tools and analytics to understand and meet customer needs.

Build customer journeys against a new baseline

Involve your customers in CX design and empower employees to deliver a human-centered experience that's effortless and consistent.
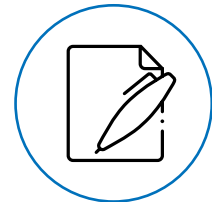
Prepare for hyperautomation and use it intelligently

Bring automation technologies together to create meaningful experiences and build your CX capabilities.

Reinforce the link between CX and EX

Augment employees' capability with tools that enable them to provide efficient, frictionless CX, in any working environment.

Next steps

> **Register** for one of our CX Advisory workshops to help you cross the CX divide and accelerate your CX value

Customer Experience Advisory Services

Contact us

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Acknowledgements

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About the Report

Designed to provide a single point of reference on key aspects affecting customer interaction management within today's CX industry, we believe the Global Customer Experience Benchmarking Report is the most extensive global overview of its type. Frequently cited by industry analysts and quoted by the media, it's widely acknowledged as the most useful, authoritative and comprehensive report of its kind.

Read on

About the NTT 2021 Global Customer Experience Benchmarking Report

Nearing a quarter-century of CX insights

Now in its 24th year, the Global Customer Experience Benchmarking Report is frequently cited by industry analysts and quoted by the media. It's widely acknowledged as the most useful, authoritative and comprehensive report of its kind.

Designed to provide a single point of reference on key aspects affecting customer experience management in today's CX industry, we believe the Report is the most extensive global overview of its type.

The questionnaire is reviewed annually and refreshed in line with evolving trends and interest areas. Performance trends and key observations are combined with correlations across related data points to provide further insight into strategic CX trajectories.

We offer context on the results as well as subject-matter insights and recommendations on best practices from people who work in the industry. These experts have a first-hand view of how the industry is changing, where it's headed and what this means for organizations.

All the data used in the NTT **2021 Global Customer Experience Benchmarking Report** can be accessed from our online Benchmarking Data Portal. By contacting one of our experts within the NTT CX Advisory, you will be able to:

- Access all 950+ global data points
- View and filter results at 10 different levels, including by region, country, industry sector, organization size, role, CX progress, market positioning, support function and operation type, and against historical data
- Cross-reference data correlations on cause-and-effect relationships
- Export the content
- Build bespoke presentations

Insights driven by data

Research approach

The 2021 Global Customer Experience Benchmarking Report was formed around three research elements.
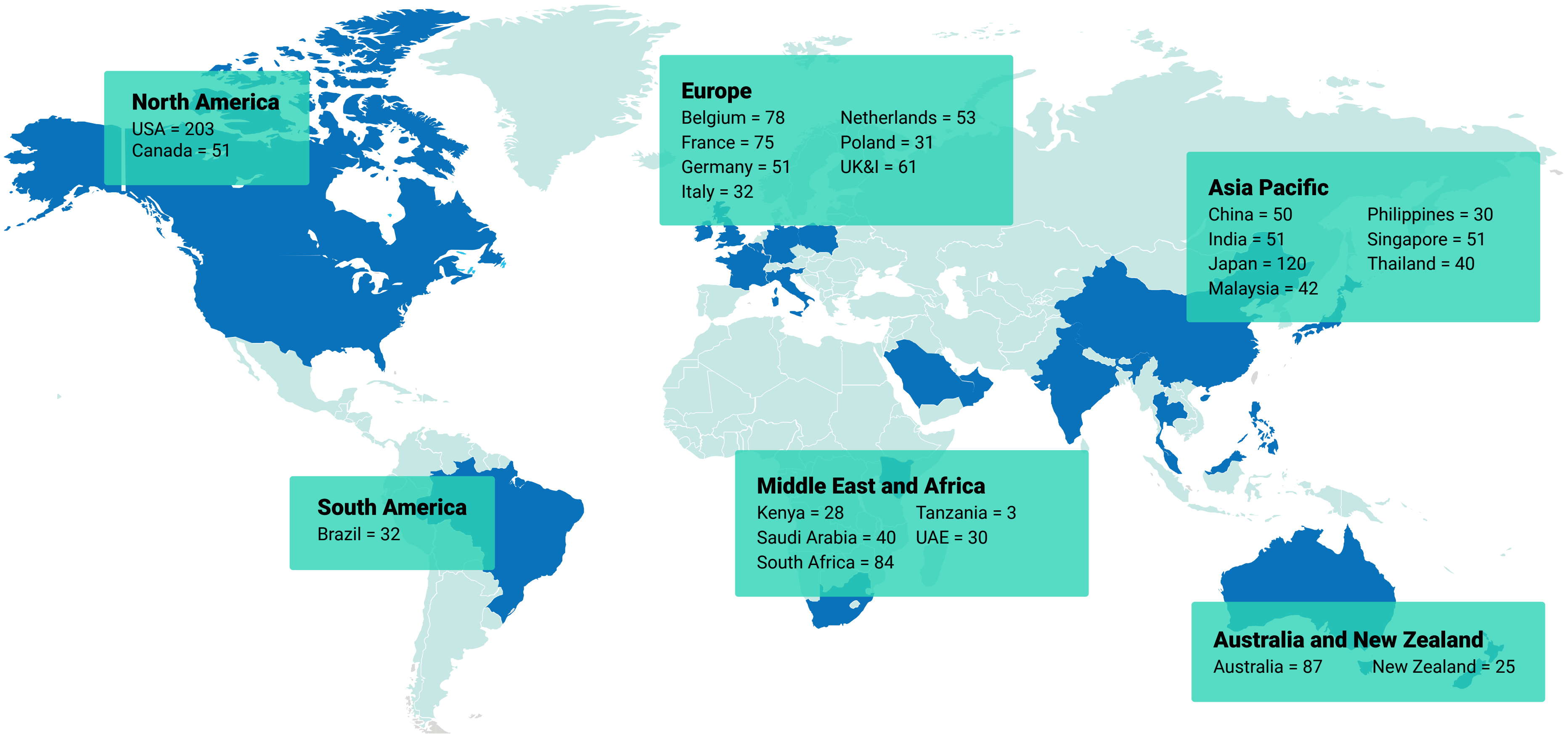
1. The main questionnaire, designed to cover the following areas of interest:
   - CX strategy
   - Analytics
   - Customer journey/UX
   - Automation
   - Technology
   - Operational delivery*

2. The operational delivery* questionnaire, designed to cover organizational values, contact-channel usage and performance, was offered to a subset of specialist operational roles.

3. The voice of the customer (VoC) questionnaire was designed to obtain a consumer perspective that allows for direct comparison with organizational perceptions.
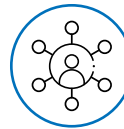
Research methodology

The Report is based on research data and a random sample of participants. It was gathered via an online questionnaire that ran during May and June 2021. All three elements of the research were conducted by Jigsaw Research on behalf of NTT Ltd.

Data integrity, validation and analysis are performed by our research partners at Jigsaw Research in conjunction with NTT Ltd.'s specialist in-house Primary Research and Benchmarking Team. Data and outliers are validated in accordance with standard research industry rules, disciplines and best-practice approaches.
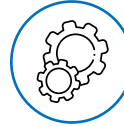
North America
USA = 203
Canada = 51

Europe
Belgium = 78   Netherlands = 53
France = 75   Poland = 31
Germany = 51   UK&I = 61
Italy = 32

Asia Pacific
China = 50   Philippines = 30
India = 51   Singapore = 51
Japan = 120   Thailand = 40
Malaysia = 42

South America
Brazil = 32

Middle East and Africa
Kenya = 28   Tanzania = 3
Saudi Arabia = 40 UAE = 30
South Africa = 84

Australia and New Zealand
Australia = 87   New Zealand = 25

Role
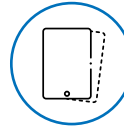
Customer experience:
401 interviews

Customer service and operations:
406 interviews

Marketing:
129 interviews
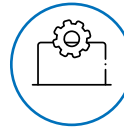
IT:
172 interviews

Digital:
130 interviews

CEO:
121 interviews

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