



MARKET STUDY CX TRENDS, CHALLENGES, & OPPORTUNITIES

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CX Trends, Challenges & Opportunities

For all the talk about customer centricity, some businesses ironically downplay the actual voice of the customer. They chase trends and make investments without fully considering how these initiatives will transform the customer experience.

Unsurprisingly, this great irony has produced a history of disappointment. Frustrating pain points like long wait times have long endured, while customer satisfaction and loyalty measures have long underwhelmed.

This aura of disappointment remains palpable in 2023. CCW Digital's Annual Consumer Preferences Survey reveals that customer experiences are actually regressing, with brands continuing to miss the mark in areas like personalization, speed, convenience, empathy, and channel accommodation.

Where have brands been going wrong? What opportunities – and incentives – do they have for reversing course and making customer centricity a reality? By providing a deep-dive into the aforementioned survey, this CCW Digital Market Study reveals the answers.

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Methodology & Demographics

To conduct its inquiry into the state of customer experiences, CCW Digital conducted its annual Consumer Preferences Survey in June 2023. The survey polled 517 US-based adults on their expectations, goals, and sentiments when interacting with brands.

About the Author



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

Key Findings

- 1 Only 4% of consumers feel experiences have improved over the past year, and a staggering 57% feel they have gotten worse.
- 2 Given what consumers routinely face when interacting with brands, these sobering statistics are unfortunately very understandable. Only 13% of consumers feel brands are delivering highly personalized experiences, and a nearly-as-disappointing 25% feel brands are failing to deliver quick, easy, and convenient interactions.
- 3 A whopping 66% of consumers, meanwhile, frequently endure long wait times. Pain points like answering repetitive questions or difficulty reaching a live agent are also disappointingly common in today's customer engagement landscape.
- 4 Despite all the talk about the rising agent standard, consumers have yet to witness notable improvement on the frontline. They, by and large, do not feel agents are becoming more adept at communicating warmth, knowledge, or empathy.
- 5 Consumers also feel experiences are becoming more restrictive. The majority, for example, experience more difficulty receiving a refund or make-good – and more trouble reaching a live phone agent.
- 6 The stakes of finally addressing these issues are significant. Nine-in-ten consumers are more likely to support brands that offer easy experiences, and nearly as many gravitate toward those that display personalization.
- 7 Brand values matter; two-thirds of consumers care about a brand's public stances on hot-button issues, and 84% consider a brand's reputation for employee centricity.
- 8 Consumers of all age ranges continue to place more trust in phone calls than any other brand communication option. About 95%, moreover, still expect access to a live agent for some or most issues.
- 9 Many brands are failing to personalize their outbound texts and emails. To correct this gap, however, they will first have to cultivate more customer trust in their data and security initiatives.
- 10 Online reviews and social media discussions do not shape every consumer's perception, but they have enough of an impact to warrant a prominent place in any company's customer experience strategy.



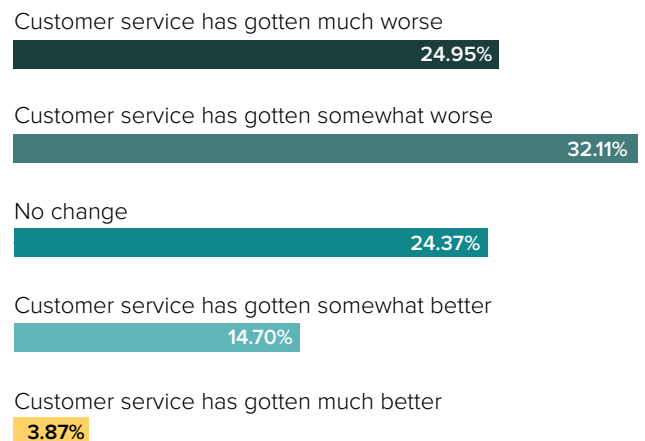
Scoring Today's CX | Is Customer Centricity A Reality?

Customer contact leaders can call it the era of customer centricity. Brands can declare their commitment to competing on the customer experience.

Unfortunately, this talk, enthusiasm, and investment is not positively impacting reality. Customer experiences are not improving.

Only 4% of consumers feel that their experiences with businesses have gotten much better over the past year. Even more troublingly, a staggering 57% feel experiences have actually gotten worse.

In general, do you feel businesses have gotten better or worse at delivering customer service over the past year?



What’s Going Right (And Wrong)?

What makes the lack of improvement so concerning is that experiences are already weak. Consumers are, therefore, not faulting brands for failing to move from “good” to “great.” They are criticizing brands for allowing inefficient, impersonal experiences to persist at a time when customer centricity is supposed to be a driving force.

Just 13% of consumers feel that experiences are highly personalized to their needs and expectations, which actually marks a regression from last year’s sum of 15%.

The absence of personalization, notably, does not correspond with an emphasis on speed. **Less than one**

quarter of customers feel their typical experience is quick or convenient, underscoring the dramatic extent to which brands are failing. They are neither respecting customers’ time nor tailoring interactions to their unique needs.

Success is also scarce for areas like **predicting and proactively addressing customer needs (a common experience for less than 14% of consumers), going “off script” to support special customer requests (14%), using technology that enhances interactions (14%), and engaging customers in meaningful conversation (16%).**

In a startling testament to the present-day absence of customer centricity, **more than 28% of consumers feel brands are doing *nothing right*.**

Consider your typical customer service interaction over the past year. Which of the following would you say are true?

None of the above

28.05%

The experience was very quick, convenient, and easy

24.76%

The experience was highly personalized to my specific needs and expectations

12.57%

The interaction was very conversational with a lot of small/personal talk

16.05%

The business predicted exactly why I was getting in touch and immediately knew how to help

13.54%

I was able to choose exactly where to interact with the business (phone, email, chat, etc)

25.92%

The employees seemed really happy, helpful, knowledgeable, and could empathize with my issues

21.86%

The company/employee went “off script” to give me a special resolution

14.31%

The technology used (such as chatbots, mobile apps, screen sharing, etc) made the experience much better

14.31%

Persistent pain points

As they fail to deliver key value tenets like efficiency, personalization, proactivity, and friendliness, brands are subjecting consumers to numerous points of frustration.

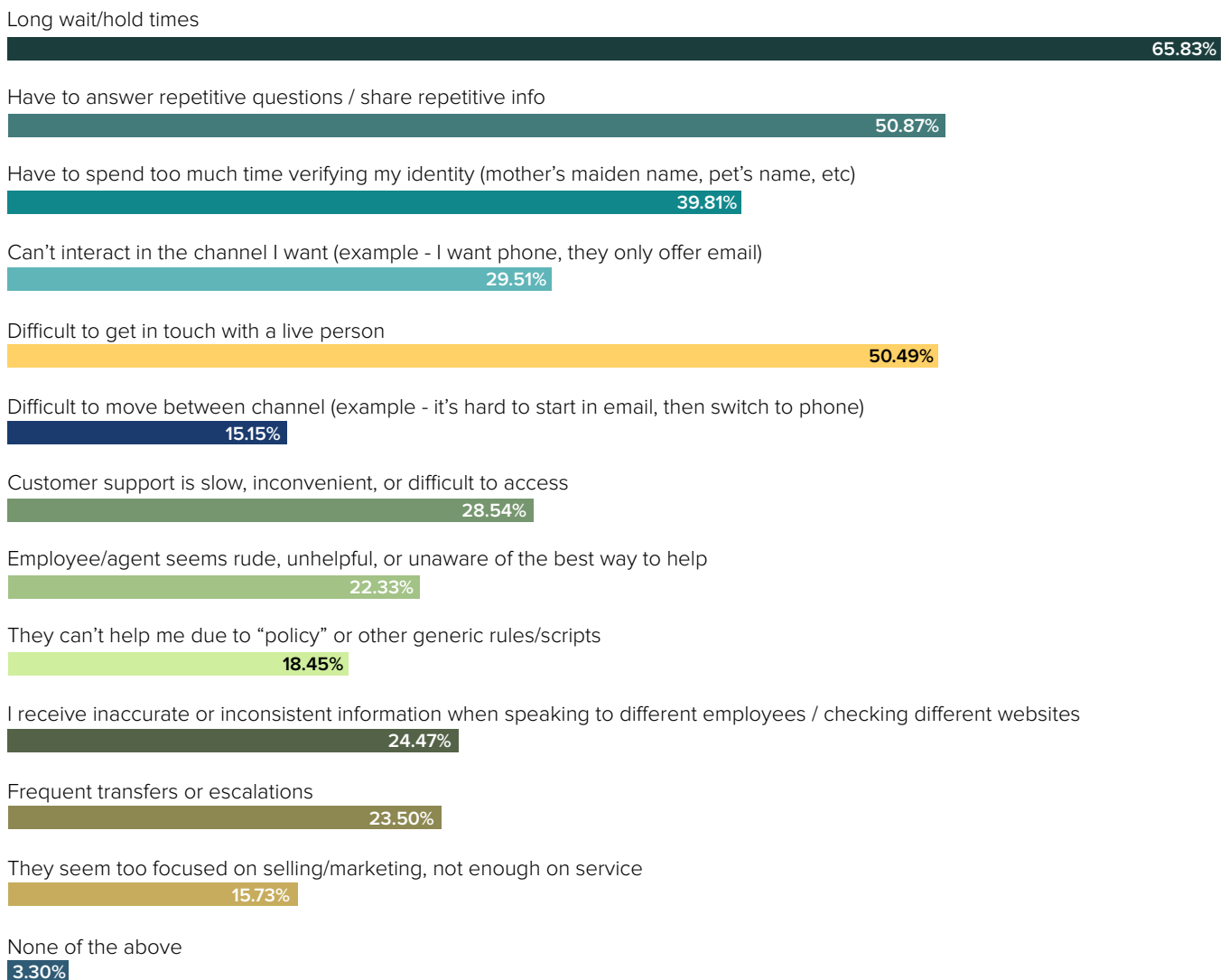
Nearly **66% of consumers, for example, say that they frequently experience long wait or hold times** when interacting with brands. Other common pain points include **having to answer too many repetitive questions (51%), struggling to reach a live person (50%), and spending too much time authenticating their identity (40%).**

The prevalence of these pain points should not catch any brand by surprise. Long wait times have consistently ranked as the biggest pain point since CCW Digital began conducting the Consumer Preferences Survey several years ago, and the other issues have often ranked near the top of the list.

The real kicker is that these pain points are readily addressable in today's customer experience climate. Brands are *supposed* to be using proactive engagement and lower-touch digital options to better manage contact volume – and ensure customers who *require agent assistance* can get the help they need without delay. Brands are *supposed* to be using modern analytics and authentication solutions to improve customer recognition, eliminate repetitive questioning, and deliver quick and personalized support.

Since the tools and best practices already exist, brands have little excuse for not eliminating these long-enduring pain points. Consumers, in turn, have little reason to give brands a pass for underwhelming experiences. They meanwhile have every reason to condemn brands for failing to make noticeable improvements to their customer interactions and journeys.

Which of the following challenges/issues do you often encounter when interacting with businesses (such as for customer service)?



Is Agent Support Evolving?

In a survey for [CCW Digital's Customer Contact Industry Review](#), contact center leaders revealed that today's agents require an unprecedented ability to deal with complex issues, work autonomously, go "off script," and interact with emotionally hostile customers.

The overwhelming majority of consumers, unfortunately, do not feel agents have risen to the occasion. They have simply not seen meaningful improvement when it comes to agent warmth, knowledge, or empathy.

A mere **11%, for example, feel agents are better at detecting and responding to customer sentiment.** The numbers are similarly discouraging for **knowing about customers and their needs (16%), conveying excitement about their jobs (16%), thinking "outside the box" to devise resolutions (17%), engaging in meaningful conversations (17%), possessing essential product knowledge (20%), demonstrating**

warmth and friendliness (21%), or caring about supporting customers (22%).

A troubling 33% do not feel agents have improved in any of these areas.

This lack of agent growth is particularly problematic amid the evolving engagement landscape. With self-service options at their disposal for simple issues, the expectation is that customers will primarily rely on agents for complex, personal, or otherwise high-stakes issues. In order to provide the requisite support, agents will absolutely require higher levels of product mastery and emotional intelligence. Their current abilities will not be enough.

And insofar as the majority of customers are jumping through hoops and enduring long wait times just to speak to these agents, the fact that they are unable to provide stellar service is a real slap in the face. It is a direct affront to the idea of customer centricity.

Consider the typical customer service agent with whom you interacted over the past year. Do you feel they have improved in any of the following ways?

None of the above

32.82%

They seem friendlier/nicer

20.97%

They seem more willing to engage in a conversation / less rushed

17.48%

They seem like they care more about solving my problems

22.33%

They seem more excited about their job and the company they support

15.92%

They seem like they know more about me / don't have to ask as many questions

15.73%

They seem like they know more about the business and products they support

20.39%

They seem more likely to "think outside the box" and give me a resolution that isn't in the script/policy

16.50%

They seem more aware of my anger/frustration and try their best to calm me down

10.87%

Is Service Becoming More Restrictive?

Despite talk about economic uncertainty and budgetary scrutiny, contact center leaders maintain their commitment to exceptional service. **More than 60% claim they remain as (if not more) willing to go “above and beyond” for their customers.**

The majority of consumers do not believe the walk supports the talk. From their perspective, brands are *indeed* cutting corners. They are *indeed* saying “no.”

A staggering 58%, in fact, **say they have had a harder time getting refunds, replacements, or special resolutions in response to their inquiries.** It is worth noting that asking for a refund – though more financially costly than a simple

apology – may not even constitute going “above and beyond.” It may simply be the appropriate response to a given situation.

The fact that brands are more inclined to resist providing refunds, therefore, negates any illusion of them providing exceptional service in today’s economic climate.

The resistance to refunds and make-goods is not, moreover, the only area in which consumers have noticed some cutbacks.

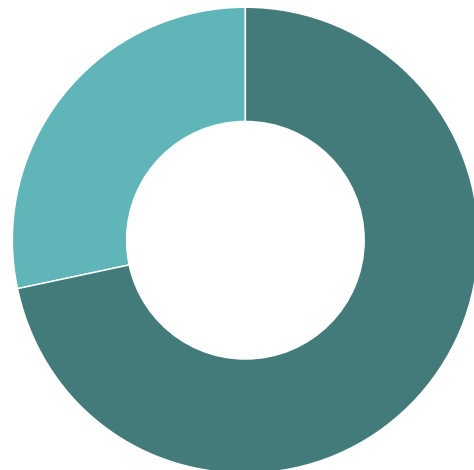
More than 71% believe it has become harder to get in touch with an agent over the phone. Whether due to the outright removal of phone options, the introduction of more complex digital journeys, or a heavier use of IVRs, brands have been preventing customers from engaging in a tried-and-true manner. They have been scaling back one of the absolute cornerstones of the customer engagement process.

Over the past year, do you think it has become harder to get refunds / replacements / make goods / special resolutions from businesses when something has gone wrong?



■ 58.03% Yes
■ 41.97% No

Over the past year, do you feel that businesses have made it harder to get in touch with and speak to a live customer service agent/employee/representative over the phone?



■ 71.76% Yes, it has been harder to get in touch over the phone
■ 28.24% No, it has not been harder to get in touch over the phone



CX Attraction | What Can Brands Do To Win And Retain Customers?

Clearly, brands are not delivering great experiences. They are subjecting customers to journeys that are heavy on difficulties and delays and light on relevance and convenience.

Not simply disappointing in theory, this failure to demonstrate customer centricity is costly in practice. Today's consumers may not *ignore* price or product, but they absolutely consider the overall experience when determining which brands to support.

Speed, Personalization, or Both?

In the status quo, brands are neither meeting customer expectations for *speed* nor *personalization*. If they want to win customer satisfaction and loyalty, they need to deliver both.

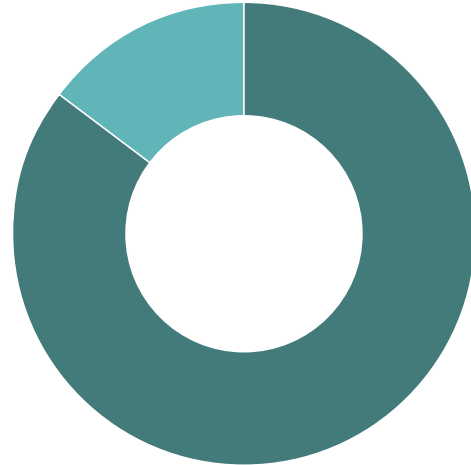
More than **90% of consumers say they are more likely to support a brand that delivers quick, easy, and convenient experiences**. A nearly-as-significant **85% say highly personalized experiences have a direct impact on winning their business**.

Collectively, the statistics confirm that consumers are aware of their power. They know they do not have to settle for experiences that fire on *some* cylinders; instead, they can demand journeys that are frictionless, personalized, predictive, and proactive. They can leverage the competitive nature of today's market to find brands that are willing to elevate all facets of the customer experience.

Granted, if they *had* to choose, nearly **67% would choose speed over a deeply conversational experience.**

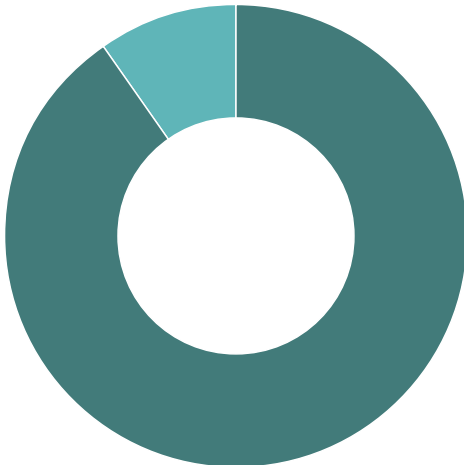
This does not mean consumers will ultimately waver on their demand for highly tailored experiences. Rather, it means that they value a more productive form of personalization. They are not necessarily looking for brands to “show off” what they know about customers in the form of frequent name-drops, excessive small talk, and over-the-top conversations and gestures. Instead, they want brands to *use* their knowledge of customers to anticipate needs, eliminate friction, and deliver the most efficient and relevant support possible.

Are you more likely to support a business that delivers customer experiences that are highly personalized to you and your needs?



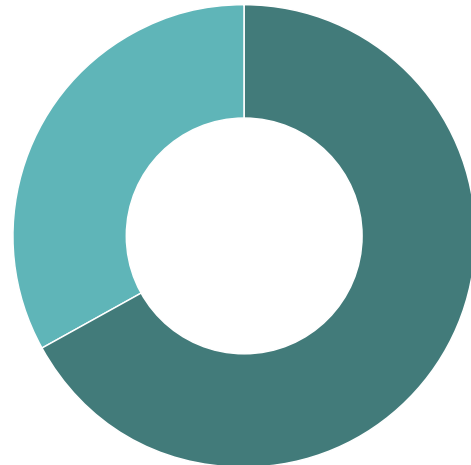
85.44% Yes
14.56% No

Are you more likely to support a business that delivers quick, easy, and/or convenient customer experiences?



90.29% Yes
9.71% No

If you had to choose between a customer service interaction that was extremely easy and quick or one that involved a really friendly and personalized conversation, which would you choose?



66.99% I'd rather have the easy, quick interaction
33.01% I'd rather have the warm, friendly conversation

The Power of Values

If the goal is to build human connections with customers, it stands to reason that a brand's values – not just the service experience it provides – would impact satisfaction and loyalty.

Validating this notion, a substantial **67% of consumers say that a brand's public stances on polarizing issues will impact their support for a brand.**

For some, knowing that two-thirds of customers care about a brand's politics will cause risk aversion. They will refrain from publicizing any stances, fearing that their position may do more than simply generate a few mean Tweets. It may have a legitimate impact on their relationships with customers.

Others will see *silence* as the riskier option. They will interpret the statistic not as a reminder to stay neutral but as a reminder that customers want to know and feel good about the people behind the brand. Without putting forth a real, human identity, they will inhibit their ability to meaningfully connect with customers.

Numerous brands have made headlines for taking stances on political, controversial, or otherwise polarizing issues. Does this affect your willingness to support the brand?



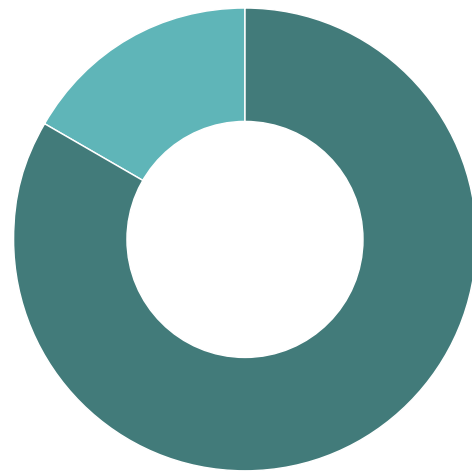
- **67.12%** Yes, a brand's public stances/views/values impact my willingness to support
- **32.88%** No, a brand's public stances/views/values have no impact on my willingness to support

Consumers, of course, are not simply evaluating brands on the basis of their political views. They also care deeply about a company's actions, particularly when it comes to the employee experience. **Nearly 84% of consumers say that knowledge of employee mistreatment would impact their willingness to support a brand.**

The connection surely speaks to the fundamental empathy consumers have for frontline employees. Just as they criticize "Karens" for rudely confronting service employees, consumers are holding business leaders accountable for their treatment of the workforce. They know what it is like to work in a difficult frontline job – and they know what it is like to be unappreciated by management. If a brand will not do right by its employees, why should they reward that brand with their wallet share and loyalty?

News of employee mistreatment may, moreover, signal potential customer mistreatment down the road. If a business will not even protect its employees who come into the office or store and contribute every day, will it really go above and beyond for *random customers* with whom it may only ever interact a few times?

If you found out that a business did not treat its employees well, would that impact your willingness to buy from / support them?



- **83.50%** Yes
- **16.50%** No



Omnichannel In 2023 | Where and How Do Customers Want To Connect?

Customer contact industry trends do not always align with customer demands. Nowhere is this notion more obvious than within the context of the omnichannel revolution. As brands obsess over digital transformations and AI-driven self-service, consumers are showing an enduring presence for agent-led phone conversations.

This does not mean brands should cease investment into their digital experiences. It does, however, mean they should consider slowing (if not ceasing) any initiative that leads to the elimination of live agent phone calls.

The Persistence of the “Call Center”

As a general rule, any brand that is eliminating or restricting access to live phone support is directly ignoring the voice of the customer.

Phone remains the most trusted customer service channel, with **70% of consumers confident they would receive a resolution by calling**. By comparison, **49% and 43% of consumers have the same faith, respectively, in live chat and email**. Trust levels are even lower for **messaging (29%), chatbots (20%), digital helpdesks (18%), and social media (14%)**.

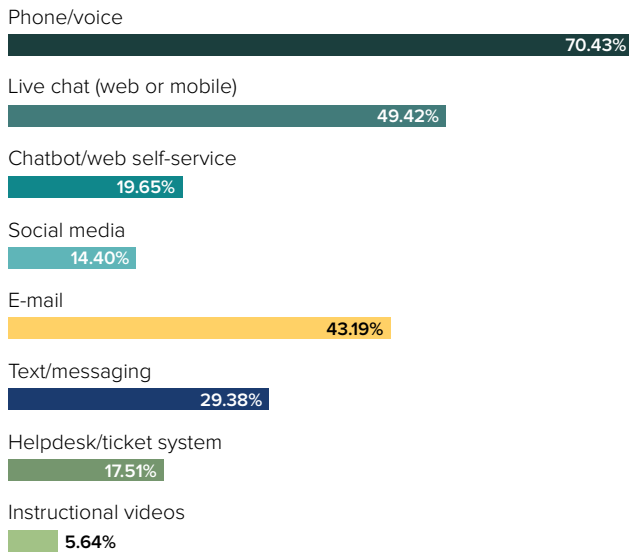
This general hierarchy, notably, holds across demographics. Even consumers under the age of 30 – those who have had access to the Internet and mobile text communication for most (if not the entirety) of their lives – resoundingly trust telephone calls more than any other option.

Obviously, this finding does not mean most consumers – the same ones who prefer texting and Tweeting in their everyday lives – *truly* prefer calling for customer service. It does not mean that they secretly long for the days in which voice calls dominated the conversation landscape.

More likely, it reflects an ongoing dissatisfaction with digital channels. Consumers simply do not feel they have access to the same caliber of support – and the same caliber of resolutions and make goods – when emailing, chatting, texting, or engaging with a bot.

If brands were to make good on their promise of a digital transformation and actually elevate experiences within these environments, they would likely earn customer trust and change the aforementioned hierarchy. Once customers become less reliant on phone support, brands can begin reaping the efficiency and scalability rewards of digital engagement.

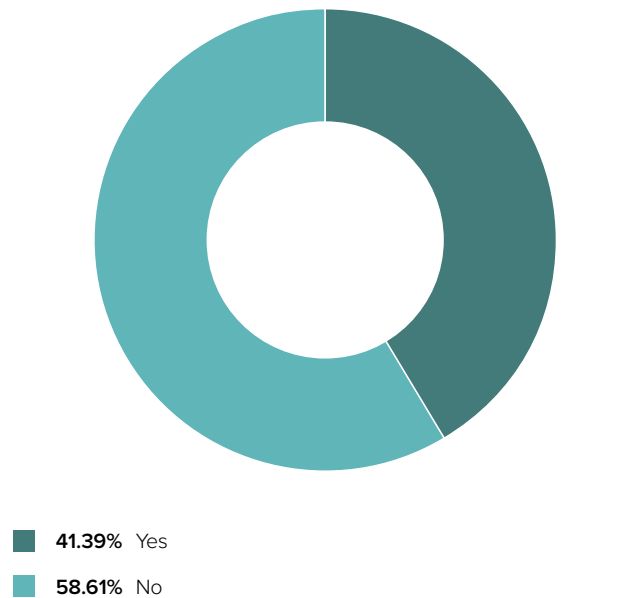
Suppose you have a customer support issue. In which of the following channels would you trust companies to successfully solve your problem?



Granted, cultivating digital trust will not be an overnight endeavor. Brands have had years (if not decades) to perfect options like email and chat, but consumers still feel these channels are inferior to the phone.

And though generative AI like ChatGPT is garnering hype for its potential impact on self-service, consumers are not yet certain it will drive the requisite transformation. **Only 41% of consumers have become more willing to use self-service this year.**

Has the buzz over AI technology like ChatGPT made you more willing to use self-service (such as chatbots) for customer service or support issues?



Keeping The “Human” In “Human Connection”

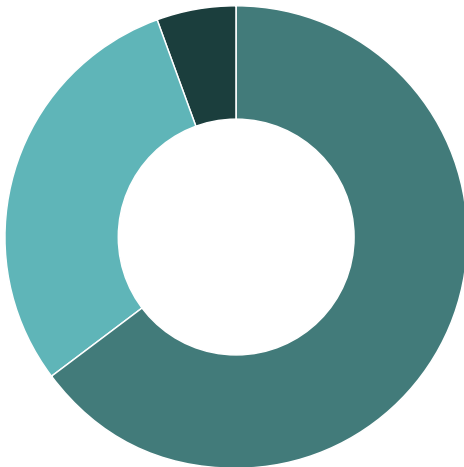
Consumers are simply unwilling to abandon their belief that customer service should, at least in some cases, involve a live agent.

Nearly 95% expect access to a live agent in at least some cases, and 65% feel an agent should be available for *most* inquiries. This is not to say that customers are unwilling to use self-service, but it is a reminder that brands cannot simply eliminate the live support option in an effort to cut costs or chase trends. If they want to maintain customer trust, they will provide an option to receive live assistance.

If reducing consumer reliance on agents is possible, it will come via education on – and confirmation of – the value of self-service options. If consumers consistently experience irrefutable proof that they can receive the same quality of support (and same caliber of resolution) in a convenient AI platform, they would have no incentive to endure the waiting and repetitive questioning common to live agent support. They would *want* to use self-service.

Unfortunately, many brands are squandering this opportunity. Rather than working to get customers excited about self-service, they are simply forcing them into these channels. They are breeding resentment rather than enthusiasm and thus delaying customer adoption of a support option that should, in reality, be in everyone’s best interest.

When you have a customer service issue, do you feel it is important for the business to at least give you the option to speak to a live customer service employee (via phone, messaging, live chat, etc)?



- 64.98%** Yes, I want the option to speak to someone in most cases
- 29.57%** I only want the option to speak to someone if the issue is difficult/personal/serious
- 5.45%** I never feel it is important to have access to a live customer service employee



Next-Generation Engagement | How Does Digital CX Impact Trust & Reputation?

The endurance of the phone conversation does not change the fact that digital engagement is rising to prominence. It does not negate the reality that how a brand engages customers across web, mobile, and social channels can directly impact satisfaction, loyalty, and brand reputation.

Must Low-Touch Mean Impersonal?

The digital journey encompasses more than inbound support inquiries. It, notably, includes *outbound* notifications and marketing campaigns.

Like customer service conversations, these forms of engagement also benefit from personalization.

Unfortunately, many brands are missing out on this opportunity. Only **18% of consumers feel most of the brand messages they receive are highly personalized; 37% rarely encounter personalization.**

Not simply a means of showing appreciation for a customer, personalizing a marketing campaign is an important strategy for cutting through noise and driving conversions. With so many brands sending so many emails and texts every day, it will often take a highly relevant, highly personalized message to stand out from the crowd – and inspire action.

Think about the marketing and promotional emails and texts you receive. Do you feel like these messages/offers are highly customized to you, including your name, account status, preferences, past orders, needs, etc?



- 18.29% They are highly personalized in most cases
- 44.75% They are highly personalized in some cases
- 36.96% They are rarely personalized

Can Consumers Trust Brands To Personalize?

A brand’s ability to personalize hinges on its ability to capture, unify, analyze, and leverage actionable intelligence about customers.

Brands will have no prayer of even accessing, let alone operationalizing, this data if consumers do not trust them to use it safely, securely, and tastefully. In the status quo, not all consumers have such faith in brands.

A non-trivial 30% of consumers neither fully trust brands to protect their data *nor* refrain from excessive sales and marketing communication. Fearing an abundance of spam at best and a risk of fraud or identity theft at worst, these consumers will surely hesitate to share data with brands – and thus inhibit the potential for personalization.

Just over 26% of consumers trust brands to send an appropriate quantity of messages but do not trust brands to protect the privacy and security of their data. About 25% have the opposing viewpoint; they believe brands will do a great job of protecting their data but assume they will engage in excessive communication.

Only 18% of consumers, then, have full trust in how brands are using their information.

Given the competitive advantage that comes from personalization, and given the impending death of third-party cookies, brands are utterly reliant on this information to design great experiences and engage in fruitful interactions. They simply cannot allow these trust issues to linger.

When a business asks you for your phone number, email, or other personal details, are you confident they will use your data safely and respectfully?



- 18.29% Yes, I am confident they will protect my data AND only contact me when necessary
- 24.90% I trust them to protect my data, but I worry about them sending too many emails/texts/calls
- 26.46% I trust them to only contact me when necessary, but I'm worried about the security/privacy of my data
- 30.35% I'm worried about the security/privacy of my data AND the company sending me too many messages

How Does External Communication Impact Brand Reputation?

The idea of a consumer telling a few friends about their experiences with brands has always been on the radar. The idea of a consumer’s commentary reaching thousands or even millions of existing or prospective buyers, on the other hand, is a new product of the digital transformation.

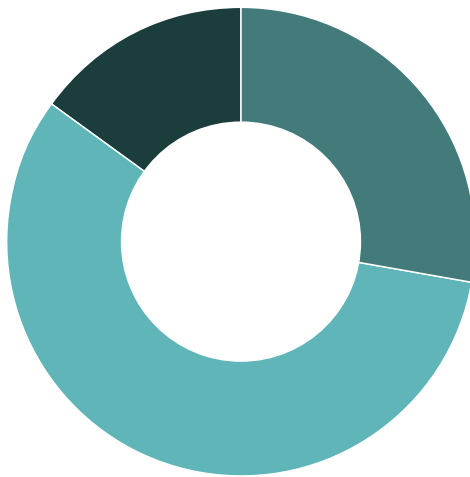
Thanks to the rise of review websites, message boards, and social media platforms, a customer’s positive and negative feedback has the potential to instantly go viral – and immediately impact a brand’s reputation and ability to attract customers.

Granted, not everyone obsesses over these external indicators of brand reputation. Only **28% of consumers, for example, trust most online reviews**. Just over **57% percent trust reviews in select cases, while 15% do not trust them whatsoever**.

Not everyone, moreover, expects brands to aggressively respond to these external conversations. More than **44% of consumers do not even feel it is important for brands to actively converse on social networks**.

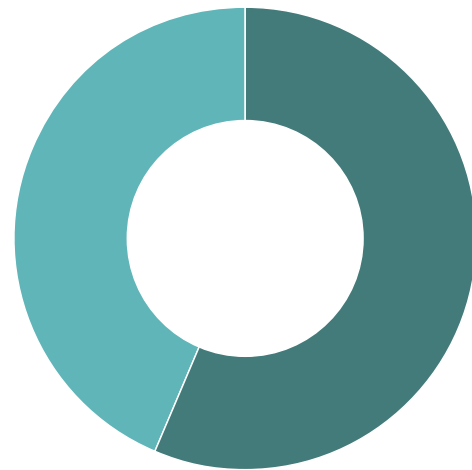
Still, today’s brands cannot ignore the reality that conversations are no longer taking place on the company’s home turf. Sentiments are being changed and reputations are being built on external platforms, and the most proactively customer-centric brands incorporate these conversations into their voice of the customer analysis.

Do you trust online reviews to provide fair, honest insight about a given product or brand?



- 27.82% I trust most online reviews
- 57.39% I only trust online reviews on specific sites/networks
- 14.79% I generally do not trust online reviews

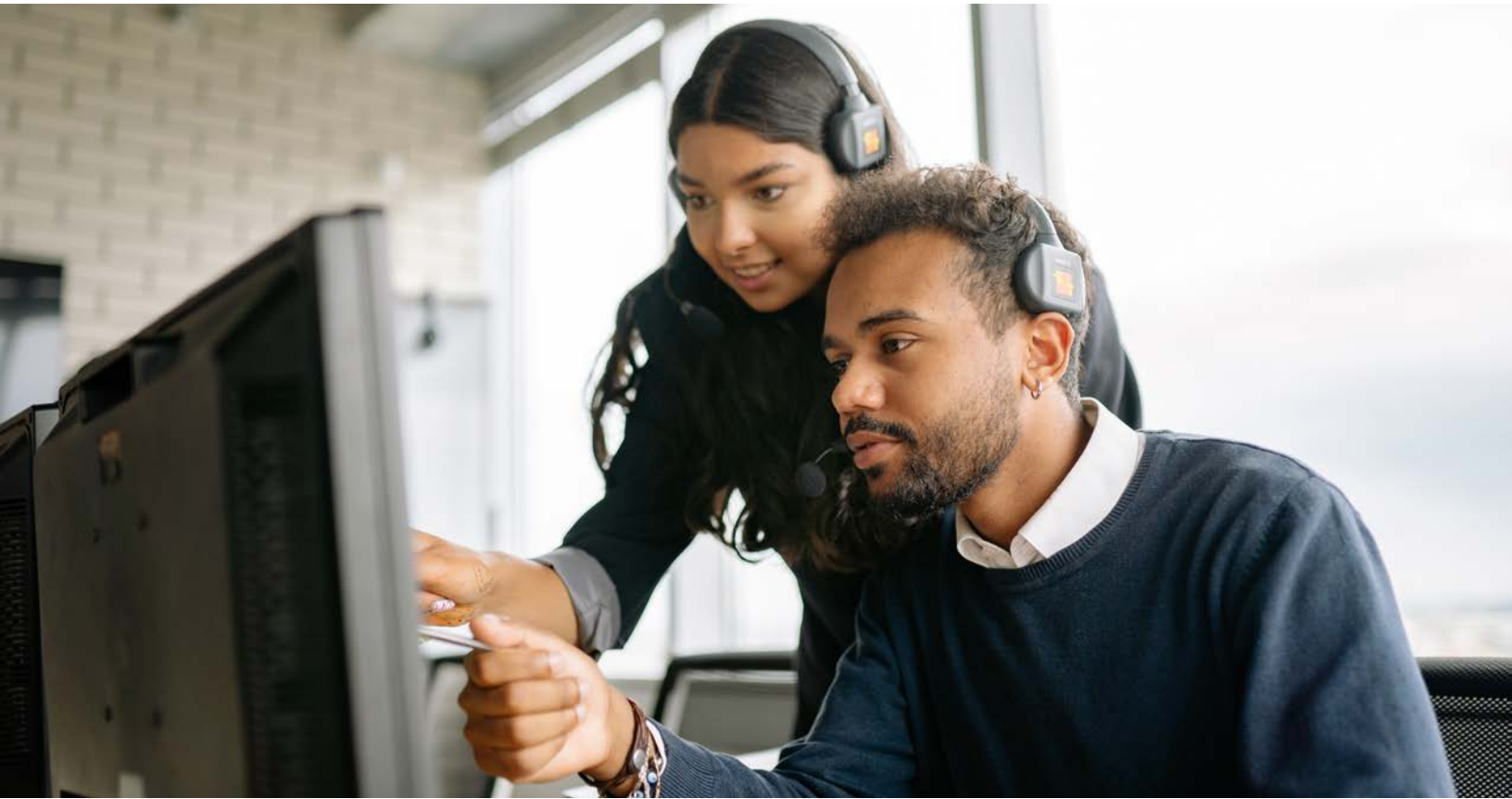
Do you feel it is important for a brand to actively engage with customers on social networks like Twitter, Facebook, Instagram, TikTok, etc?



- 56.42% Yes
- 43.58% No



PRACTICALITY GUIDE



Customers Are Shape-Shifting Service. Can your CX Transform with Them?

Today's dicey economy could be ekk-onomics for quality customer care. Service cutbacks bruise experiences and brands, penalizing consumers and businesses alike. Astute organizations elevate CX with e-mpathetic engagements, pragmatic solutions and performance-driven operations.

The pandemic stripped away civility from customer service. Satisfaction, too. Sometimes, CX got X'd out altogether. Left many wanting, soured by so-sorry experiences. Soon, customers said "so long."

Last year, service faltered again. According to **Forrester: "CX quality fell for 19% of brands in 2022**—the highest proportion of brands to drop in one year since the inception of the survey."

More than 96,000 U.S. consumers were polled, covering 200+ brands in 13 industries. Forrester found customer experiences slid back to "early 2020 levels, reversing gains made in 2021." Not good.

Today, customers still seek quality care. It wanes in the wake of worker shortages, though. Fueled by earlier mass resignations and ongoing layoffs. Inflation adds to the woes, whittling away already-sparse resources. A recession looms and businesses hesitate. Investments in better service lag and languish.

DON'T FORSAKE CX

The fallout: Companies and customers are caught among rising expectations, truncated services and a dicey economy. Squeezed, decision-makers again are tempted to pare customer care, seeing it as a cost center.

Not wise “**even though customers expect more from digital and hybrid experiences,**” as Forrester noted.

Before shortchanging CX, it’s prudent to ask: “What’s the real expense to the business?”

As points of reference, noted sources—from academics to consultants to economists—estimate the actual cost between \$62 billion to \$1.6 trillion a year. Reasons range from poorly trained agents to not knowing customer needs to impersonal service. It all takes a toll.

It’s like the **classic FRAM oil-filter commercial**. “You can pay me now” for continuous care at a reasonable price. “Or, you can pay me later,” shelling out big bucks to repair subpar CX operations, win back unhappy customers and regain trust.

Forsaking service excellence proved ill-advised during the pandemic. Knowing what we know today, similar moves (eh, mistakes) would only compound current problems. Angst isn’t a business plan.

Here’s why: Great experiences are bedrock to any quality brand. Without them, you got bupkis. (Translation: nothing.)

GREAT SERVICE DIFFERENTIATES

According to **Accenture**: “As more brands compete for public attention and more options are readily available, **CX provides a way to put your product and brand at the forefront.**”

Accenture calls it “a life-centric approach.” Whatever the term, it requires businesses to adapt and anticipate consumer desires and demands, with their many twists and turns.

Such an approach takes tuned-in, well-run operations that scale to ever-evolving needs. At its core is CX differentiation to:

- Blend **AI and intelligent agents** for empathetic care.
- Deliver **pragmatic solutions**, both quick-turn and on-demand.
- Profit from **CX realization** with insightful, ROI outcomes.

But please, don’t regard them as passing market trends. Rather, see them as core strategies worth investing in and developing. Paths forward with immediate and long-term value to:

- 1 Elevate experiences
- 2 Earn repeat business
- 3 Propel growth

Let’s look at them, one by one.

EMPATHETIC CARE – AI AND INTELLIGENT AGENTS

To borrow phrase from chameleon rocker David Bowie, automation is “ch-ch-changing” CX operations.

In this case, driving down costs and speeding up routine, repetitive requests. Bring on the stardust.

Digitalizing common tasks makes sense to streamline services and free up resources for complex issues.

Common uses include auto-emails for delivery updates. Knowledge-based responses for frequently asked questions. Basic bots for simple requests—and ChatGPT for more-intricate exchanges.

With labor shortages and inflation, CX automation finds itself in the driver’s seat of many innovations and efficiencies. But it’s not an auto-pilot for all real-world engagements. And it has issues of upfront costs, ongoing upkeep and limited flexibility.

Most of all, automated service isn't a standalone solution. Not yet, if ever. **Forbes** reported: **"Remember, AI doesn't mean eliminating human involvement altogether.** As customer behaviors and sentiments change over time, even the most optimized customer service workflows can become obsolete."

BEST OF BLENDED AI/IA WORLDS

Advanced as it can be, artificial intelligence, or AI, should complement intelligent agents (IA). Blending the two improves customer engagements and business outcomes. High tech and high touch as one. Think of them as omniCX or C³—connected, compassionate capabilities.

Blending artificial intelligence and intelligent agents gives customers the best of both worlds.

For instance, **McKinsey & Company** states: "Even before customers get in touch, **an AI-supported system can anticipate their likely needs and generate prompts for the agent.**"

Throughout the customer journey, McKinsey points out how tech-enabled agents make more-informed decisions, producing better results on the spot. This ensures quick, quality care.

In a COVID-altered world, the **stakes for one-on-one CX relationships have risen.** To cite **Quadiant**:

- **"85%+** of customers are willing to pay more for an exceptional customer experience (CX)
- **"92%** of customers will leave a brand after 2-5 poor experiences (PwC)
- **"87%** of business leaders tag CX as their top growth engine (North Highland)"

Well-balanced CX knows when and where AI and IA work best. Customers welcome the autonomy of self-service. They also expect to segue to live agents for prompt, personalized service. Best deliver it.

Investments to Make:

- Recruit intelligent agents who excel at technology. Ensure they are AI-savvy for smooth handoffs. Educate agents to resolve complex issues when IT falls short. Enable them with insider knowledge for workarounds for great CX—like getting a U.S. traveler home from Mumbai during a monsoon.
- Hire professionals with the emotional intelligence to identify with your customers. Ensure their personalities mesh with consumer personas. Check to see if their life experiences relate well to those they'll serve. And be sure to humanize every customer interaction—digital and hybrid.
- Continue developing agents once onboard to solidify CX skills, reduce attrition and deliver nonstop continuity. Invest in strategic learning, notably tech advances, for agents 30, 60 and 90 days into client programs—and beyond. This reinforces learning, builds confidence and strengthens teams.

PRAGMATIC SOLUTIONS – FLEXIBLE AND ON-DEMAND

The pandemic turned customers into shape-shifters, with ever-changing wants and needs. Whatever form they take, CX operations must adapt. That's what a crucible event does to business.

But who can fault customers for feeling forsaken? During the crisis, companies slighted or ignored them. Hold times lasted hours. Calls dropped, or worse, were never answered. Satisfaction tanked.

Memories remain vivid. People now are livid because bad experiences keep happening. A 2023 CX viewpoint nails it: **"It's Time To Stop Blaming The Pandemic For Poor Customer Experience."**

Rick Watkin, a Forbes Technology Council member, wrote: "I've been disappointed in the caliber of customer service as the pandemic unwinds. So far, there hasn't been a rebound to pre-pandemic levels, and that's troubling."

Customers are having none of it. Their expectations today are E³ = Everything. Every time. Everywhere. No exceptions. And businesses had better figure out how to deliver them—all three at once.

As proof, Watkin cites the **HubSpot Annual State of Service 2022**, polling 1,400+ CX leaders worldwide. He noted "93% of customer service teams say customers have higher expectations than ever." No surprises there.

ON-DEMAND, QUICK-TURN SOLUTIONS

To perform and please, businesses are reimagining CX solutions in short order.

Development is accelerated. Implementation compressed. On-demand and quick-turn are the new industry standards.

This occurs as in-house teams, short-staffed or overwhelmed by outside events, turn to business process providers to address pressing issues and fill gaping service gaps.

Case in point: A headline-making service snafu that occurred during the recent holiday season. In late December, a well-respected airline experienced a system-wide operational failure. Complications from a crippling winter storm and a scheduling software breakdown created a huge customer-support backlog.

On New Year's Day, the provider laid out a plan to address the problem. [Here's a snapshot of its scope and the flexibility of the fix delivered.](#)

Agents Onboarded – Recruited and educated more than 1,000 agents in the client's support-ticket operations in only a few days.

Cases Resolved – Closed 250,000+ open cases in less than five days. Completion rate was projected at 10 cases an hour. Provider increased it by 50%—closing, on average, 15 cases every 60 minutes.

Accuracy Achieved – In all, more than 95% of closed customer support tickets were solved correctly.

Pinpoint precision and large-scale productivity were success factors.

While this proved to be an extreme case, sound CX principles of speed-to-service apply to all business issues in any industry. Be it epic demand or everyday expectations, operations need to be calibrated to perform at the appropriate levels as a matter of course. No more pandemic-laden excuses.

Change-Ups to Consider:

- The demand for quicksilver service solutions is increasing. Before the pandemic, a month or more of preparation was normal. The airline's dilemma required immediacy. But it's not an isolated instance. Companies from different industries, such as consumer services and retail, are making similar, rapid-response requests. That raises the question: Can your operations scale to deliver on-demand CX?
- Most CX problems are predictable. So, put them on a continuum, from average to extreme. Color accordingly. Cool blue and calm green on the left. Anxious yellow in the middle. Hot orange and red on the right. Now, align your CX solutions. Are there enough resources? Are they balanced? How fast can they mobilize? It's a simple exercise to see how well your ops are positioned to perform.
- When was the last time you stress-tested your service operations? Strained them, almost to the breaking point. Be wise to do it before the worrying begins. And yes, resources, both staff and funds, are strapped. And management (as always) needs convincing. Do this: Storyboard a brand-bruising CX scenario. Detail the fallout—dollars and damage. Make it real. Then, show how to get it right.

CX REALIZATION – PROFITING FROM CUSTOMER SERVICE

In business, realization refers to revenue generation. For example, a private-equity firm on its website lists long-term investments in growth companies. There, the word "realized" appears under many of them in a bold, blue bar. A public acknowledgment of a prudent return on investment (ROI).

CX operations—either in-house or outsourced—could be assessed the same way. ROI realized or not. Such thinking requires foresight and commitment upfront to make it happen.

Too often, though, customer service is seen as a cost center. And overhead is a guillotine word.

Reductions are happening en masse now with inflation cutbacks and widespread layoffs.

CROSSROADS OR CROSSHAIRS?

Understandably, business leaders find themselves at a crossroads. Or, perhaps in the crosshairs. Because they are:

- Delaying important decisions.
- Curbing much-needed services.
- Shortchanging their customers as a result. (Pandemic déjà vu.)

Thought through, quality CX can ease this anxiety—and turn a profit at the same time. The idea has long legs and its relevance spans decades, impacting all industries. In 1994, the *Harvard Business Review* (HBR) published a piece entitled **“Putting the Service-Profit Chain to Work.”**

Harvard Business Review: The better the service, the more the business profits.

The premise came down—and still does—to this: The better the service, the more the business profits. Done right, CX is indeed valuable. Better yet, invaluable. Reprising the point, HBR published the piece again 14 years later, stating the thinking “offers as much today as it did then and is a perennial best seller.”

EVERGREEN BUSINESS BENEFITS

Today, Google customer service as a profit center and validation appears from the likes of industry analysts Gartner, Forrester and others. All outline the evergreen business benefits. Good business sense should make profitable customer service standard operating procedure.

Case in point: At recent field-service medical roundtable, leaders gathered to talk about **the viability of CX and associated costs**. Represented were leading healthcare companies, such as Abbott Laboratories, Medtronic and Neurostar.

Discussion questions focused on:

- Is customer service profiting your company or is it seen as overhead?
- Are service operations advancing the business or holding it back?
- Are you using superior CX to differentiate yourself from the competition?
- Where would you invest in customer service to improve performance and profits?
- Would you be open to on-demand CX to free up in-house resources and grow the business?

Judging from the responses, the topic is top of mind among healthcare professionals. And no doubt, it’s being discussed in other industries, too.

Takeaways from the roundtable included:

- 1 Factoring in costs for time and material of service-related work to project ROI.
- 2 Identifying revenue-based differentiators to warrant customer-service investment.
- 3 Assessing satisfaction to triage service issues to achieve measurable improvements.

For weight and worth, align CX performance against annual corporate objectives. Track to metrics that resonate throughout the business, such as margins for operating profit and net profit. Add to them customer-service measurements of retention and satisfaction. Together, they offer a more in-depth, insightful outlook to service business plans.

What to Do Next:

- Prioritize CX investments—from AI to IA to IT. Decide what differentiates and fund it, with likely ROI. Apply the axiom: What gets measured gets managed. Just make sure the metrics will matter to senior leadership. And don’t wait. Indecision could mean **“further talent attrition, customer dissatisfaction, and even loss of market share,”** McKinsey advised in its 2022 State of Customer Care.

To shed the cost-center label, why not seek BPO counsel? No harm, no foul to ask.

- Have a service provider run the numbers. Solicit several. And this shouldn’t be an exercise to reduce in-house CX operations. Rather, it’s meant to complement them by assessing resources, validating costs and offering outside views. It could, in fact, make the case to fund and run CX as a profit center.
- For grins, draw a line on a page or screen. On the bottom, pinpoint costs as they occur during a customer journey. On top, mark the places where opportunities exist to be profitable. Estimate each one. Then, compare the numbers, refining them until the projected, top-row profits exceed the expenses below. A straightforward exercise, provided you command all the CX costs to calculate it.

Working Solutions is a recognized leader in onshore, on-demand contact center services. Its virtual workforces in the United States and Canada deliver business process outsourcing (BPO) for clients and their customers. Diverse industries served include consumer services and retail, healthcare, utilities, travel and hospitality. Learn more at workingsolutions.com.

Appendix



**VIDEO: How much does it cost to outsource customer service?
Cost Savings of Outsourcing**

Find out how outsourcing customer service can help you drive significant revenue and operational savings for your business.



**BLOG: Why Customer Experience Optimization is Vital in 2023 – 5 Trends
You Should Know**

Discover the latest trends to help optimize your customer experience.

2023 Editorial Calendar

APRIL

Customer Contact Industry Review

MAY

Generative AI & Chatbots For Customer Contact

JUNE

CX Trends, Challenges & Opportunities

AUGUST

CCW Nashville Presents: Modernizing Service Experiences With AI & Digital

SEPTEMBER

Contact Center of 2030

NOVEMBER

Future of the Contact Center

FEBRUARY

Strategic Planning For CX Operations

February 9-11, 2023

APRIL

State Of Contact Center Technology

April 6-8, 2023

MAY

New Standards For Customer Contact Performance

May 25-27, 2023

JULY

Modernizing Service Experiences With AI & Digital

July 20-22, 2023

SEPTEMBER

Customer Experience Trends, Challenges And Innovations

September 14-16, 2023

OCTOBER

Business Continuity 2.0

October 26-28, 2023

DECEMBER

Future Of The Contact Center: A Forecast

December 14-16, 2023

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