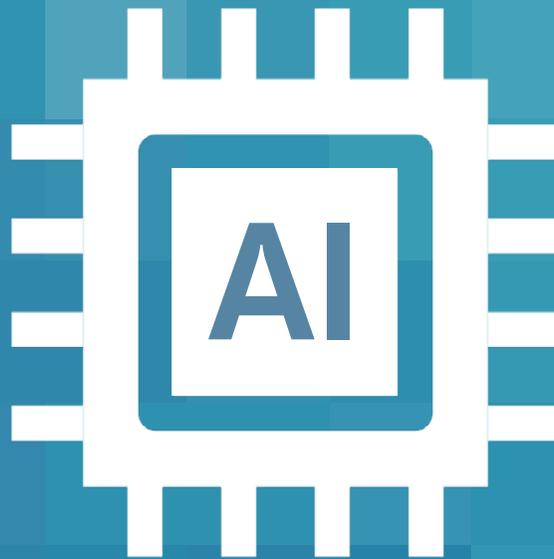**MARKET STUDY**

Modernizing Service Experiences With AI & Digital

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MODERNIZING SERVICE EXPERIENCES WITH AI & DIGITAL

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

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

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

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

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

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

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METHODOLOGY & DEMOGRAPHICS

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

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

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CMP CUSTOMER MANAGEMENT PRACTICE

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

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

KEY FINDINGS

1 The tides appear to be turning in a promising direction. After many years of enduring disappointment, more than 54% businesses now feel that AI is living up to the hype.

2 Despite the unprecedented optimism surrounding AI, specific initiatives are still falling flat. The overwhelming majority of customers, for example, do not trust chatbots to solve their problems.

3 Leading chatbot challenges include their limited use cases, unimpressive speed, lack of customized resolutions, and lack of conversational capabilities.

4 The majority of companies believe that using AI to reduce simple tasks, improve analytics and quality monitoring, and streamline access to knowledge are crucial for succeeding in today's difficult labor market.

5 By 2030, companies believe AI will have made its greatest marks on process automation, intelligent routing, self-service, and analytics.

6 "Long wait times" are the #1 pain point companies hope to remedy with digital engagement.

7 Other digital transformation drivers include a lack of contact options, an inability to provide 24/7/365 support, and insufficient proactive outreach.

8 Despite all the hype about COVID-19 accelerating the digital transformation, there has been a dearth of widespread "digital wins" over the past two years.

9 The closest to a major win was increased use of automation within digital channels; 47% of companies feel they have taken this crucial step.

10 To increase trust in digital channels, companies aim to improve resolution speed, make digital engagement easier, increase personalization, and improve data security and fraud prevention.

11 Only 11% of companies say they very frequently take advantage of digital-only features, such as geo-targeting, co-browsing, simple authentication, and augmented reality, to enhance digital experiences.
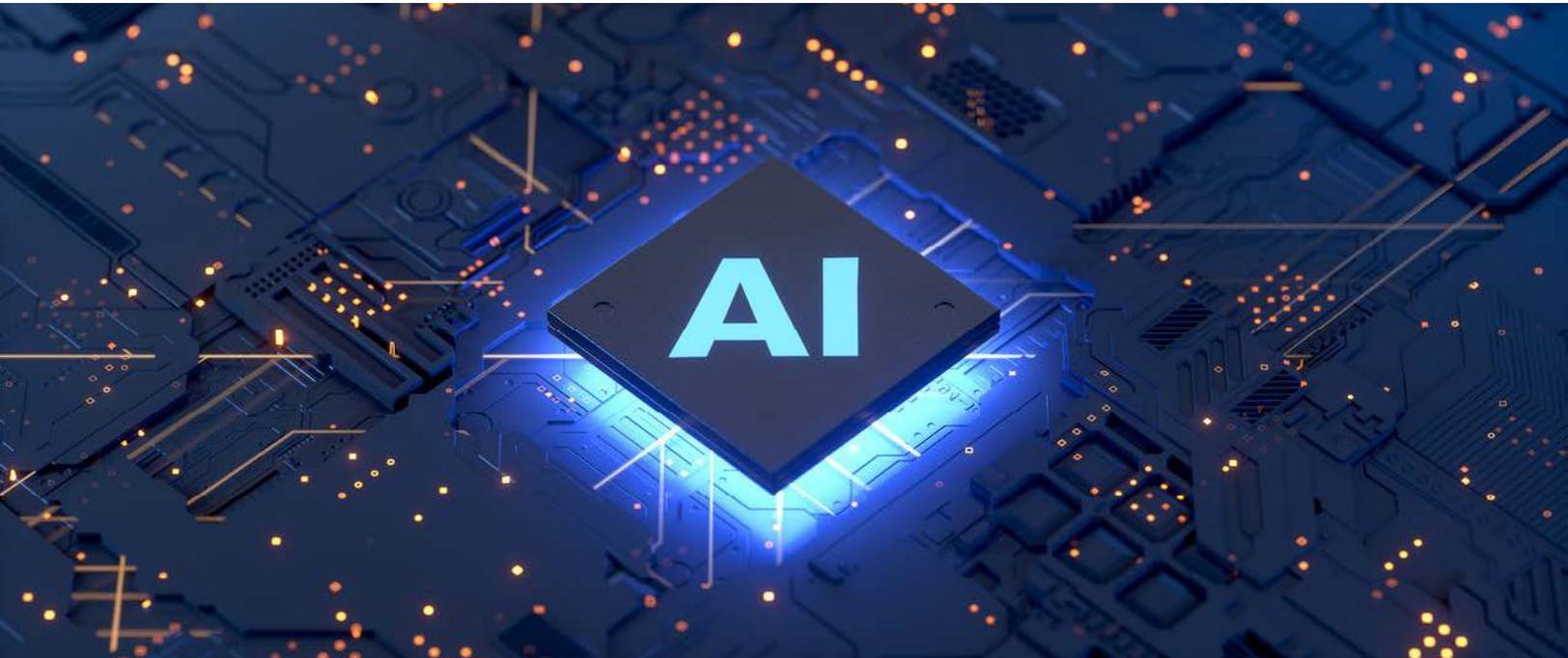
A PROMISING STATE OF AI

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

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

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

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

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

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

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

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

Thus far, do you feel AI is living up to the hype when it comes to transforming the customer experience and/or contact center operation?
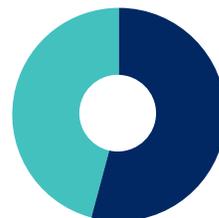
- **54.39%** Yes
- **45.61%** No

A CHATBOT REALITY CHECK

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

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

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

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

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

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

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

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

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

Customer education - they don't realize all today's chatbots/IVRs can do, so still expect to talk to a human
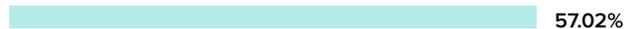**35.96%**

Customer awareness - customers aren't aware of how to find or use self-service tools
24.56%

Customer history - chatbots and IVRs have historically been bad, so customers don't trust these options
47.37%

Speed - customers feel they can get what they want, faster, by speaking to a live person
57.02%

Limited options - self-service is only available for select issues, limiting customers' interest in engaging
60.53%

No customization - self-service tools can only follow "policy," so customers seek agent support to get a more personalized resolution
53.51%

No resolution - self-service only collects information, doesn't solve problems, so customers go directly to agents
43.86%

Wasted time - customers know they will have to repeat everything they said to the IVR or chatbot, so they go directly to agents
43.86%

No conversation - customers can't speak naturally and have to navigate the company's default options and menus, which can be frustrating
47.37%

No recognition - bot or IVR doesn't sufficiently recognize customer, so experience feels impersonal
41.23%

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

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

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

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

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

ENHANCING AGENT EXPERIENCES IN THE "NEW NORMAL"

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

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

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

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

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

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

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

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

Other agent experience priorities include improving analytics and quality monitoring (62%), streamlining simple tasks to reduce agent need (57%), improving access to knowledge (54%), and elevating workforce optimization to support more flexible work models (50%).
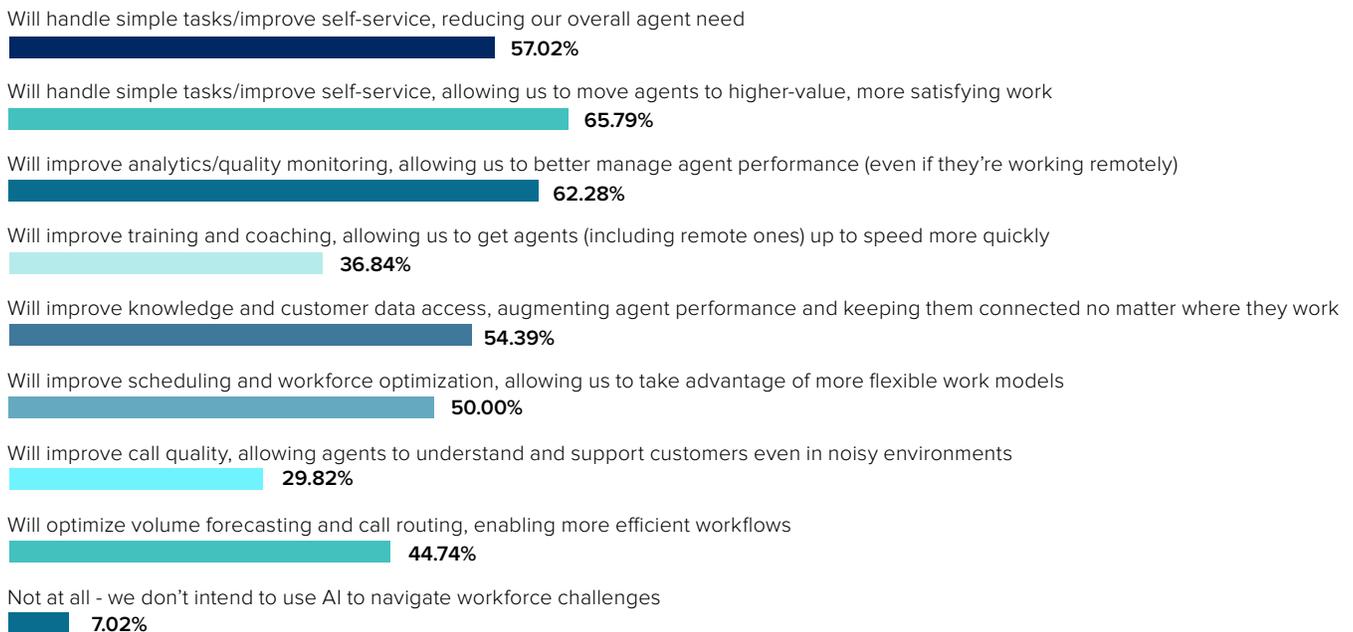
Of these four priorities, three directly speak to agent performance and satisfaction. AI-driven analytics enable companies to evaluate 100% of agent interactions no matter when or where they are working. This means agents and their coaches will not have to argue about whether that "one recorded call" was reflective of their strengths and weaknesses; both parties will have complete, unbiased access to quality issues and development opportunities. Beneficial in any environment, these tools are particularly useful in remote models where supervisors cannot "look over agents' shoulders" to assess performance.

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

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

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

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

Will handle simple tasks/improve self-service, reducing our overall agent need
57.02%

Will handle simple tasks/improve self-service, allowing us to move agents to higher-value, more satisfying work
65.79%

Will improve analytics/quality monitoring, allowing us to better manage agent performance (even if they're working remotely)
62.28%

Will improve training and coaching, allowing us to get agents (including remote ones) up to speed more quickly
36.84%

Will improve knowledge and customer data access, augmenting agent performance and keeping them connected no matter where they work
54.39%

Will improve scheduling and workforce optimization, allowing us to take advantage of more flexible work models
50.00%

Will improve call quality, allowing agents to understand and support customers even in noisy environments
29.82%

Will optimize volume forecasting and call routing, enabling more efficient workflows
44.74%

Not at all - we don't intend to use AI to navigate workforce challenges
7.02%

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

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

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

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

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

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

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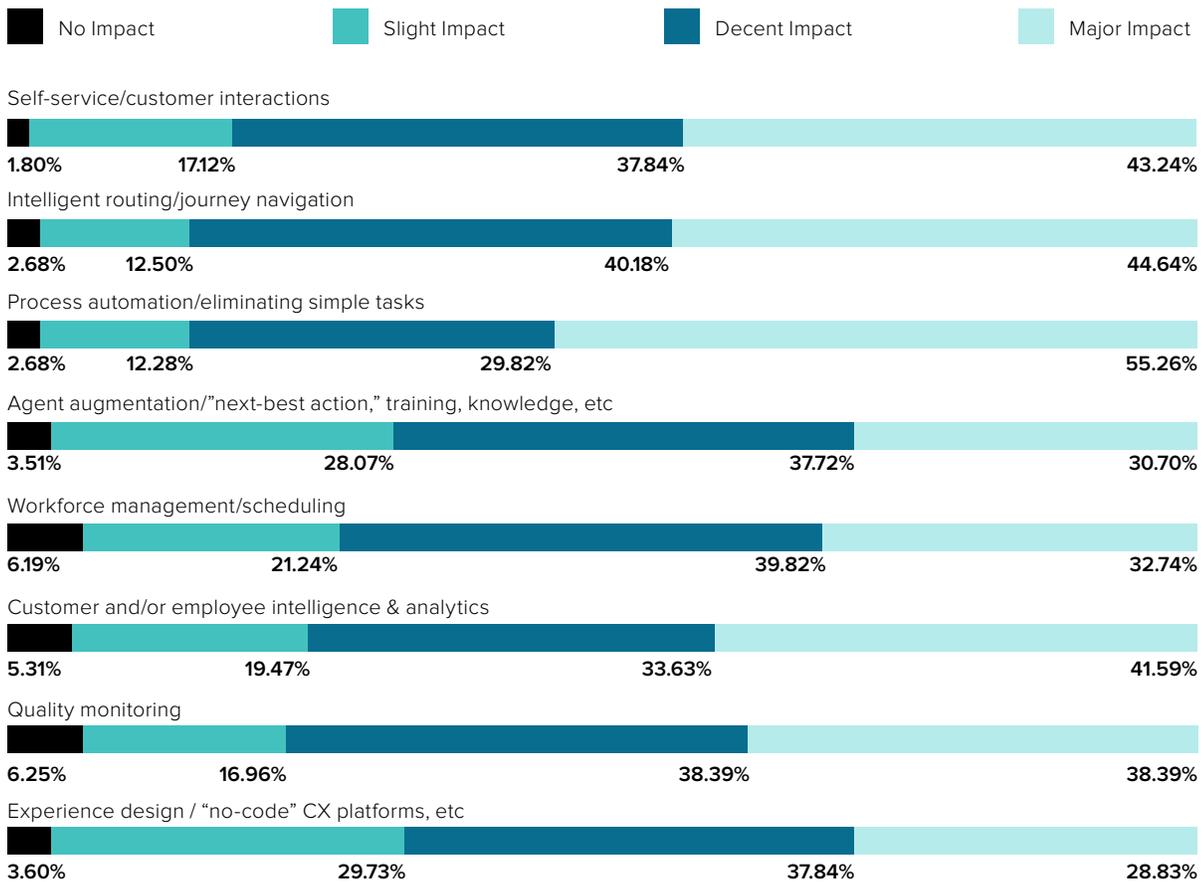
Similar logic may explain leaders believe AI will have a slightly bigger impact on intelligent routing (3.78) than self-service (3.71). Intelligent routing may not be a static, transactional function in the same vein as classical process automation, but it involves a lower conversational lift than an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

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

With respective impact scores of 3.52 and 3.48, customer and employee intelligence and quality monitoring rank as the next biggest optimism drivers. The two are connected – quality monitoring is one of the top use cases for contact center intelligence, particularly in the era of remote work when supervisors cannot as easily "look over their agents' shoulders." Both also speak to AI's power to unify and analyze data at scale, yielding the kind of actionable intelligence that employees cannot achieve manually.

By 2030, what kind of impact do you expect AI will have had on the following functions?

■ No Impact **■ Slight Impact** **■ Decent Impact** **■ Major Impact**

Self-service/customer interactions

1.80%　17.12%　37.84%　43.24%

Intelligent routing/journey navigation

2.68%　12.50%　40.18%　44.64%

Process automation/eliminating simple tasks

2.68%　12.28%　29.82%　55.26%

Agent augmentation/"next-best action," training, knowledge, etc

3.51%　28.07%　37.72%　30.70%

Workforce management/scheduling

6.19%　21.24%　39.82%　32.74%

Customer and/or employee intelligence & analytics

5.31%　19.47%　33.63%　41.59%

Quality monitoring

6.25%　16.96%　38.39%　38.39%

Experience design / "no-code" CX platforms, etc

3.60%　29.73%　37.84%　28.83%

FACTORS DRIVING THE DIGITAL TRANSFORMATION

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

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

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

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

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

Each of the top options speaks to the importance of making customer experiences more convenient. Adding digital channels automatically provides customers with more options for reaching a brand, increasing their power to get support on their own terms. Whether due to a fundamental preference for digital or a contextual need for a non-phone option, digital channels will represent the preferred terms of today's consumers.
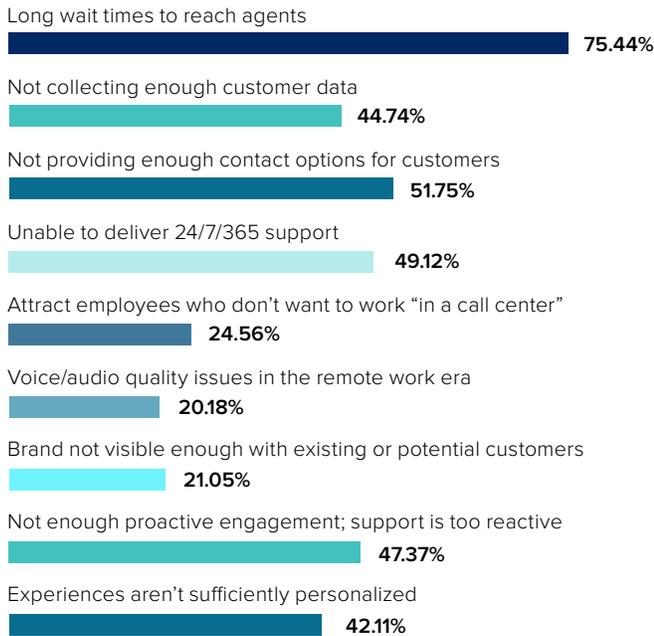
Because of the lower-touch nature of the digital world, digital channels represent a better option for providing around-the-clock support. For many customers *and* agents, chatbot or simple live chat interactions simply make more sense than phone calls at 3AM early Tuesday morning.
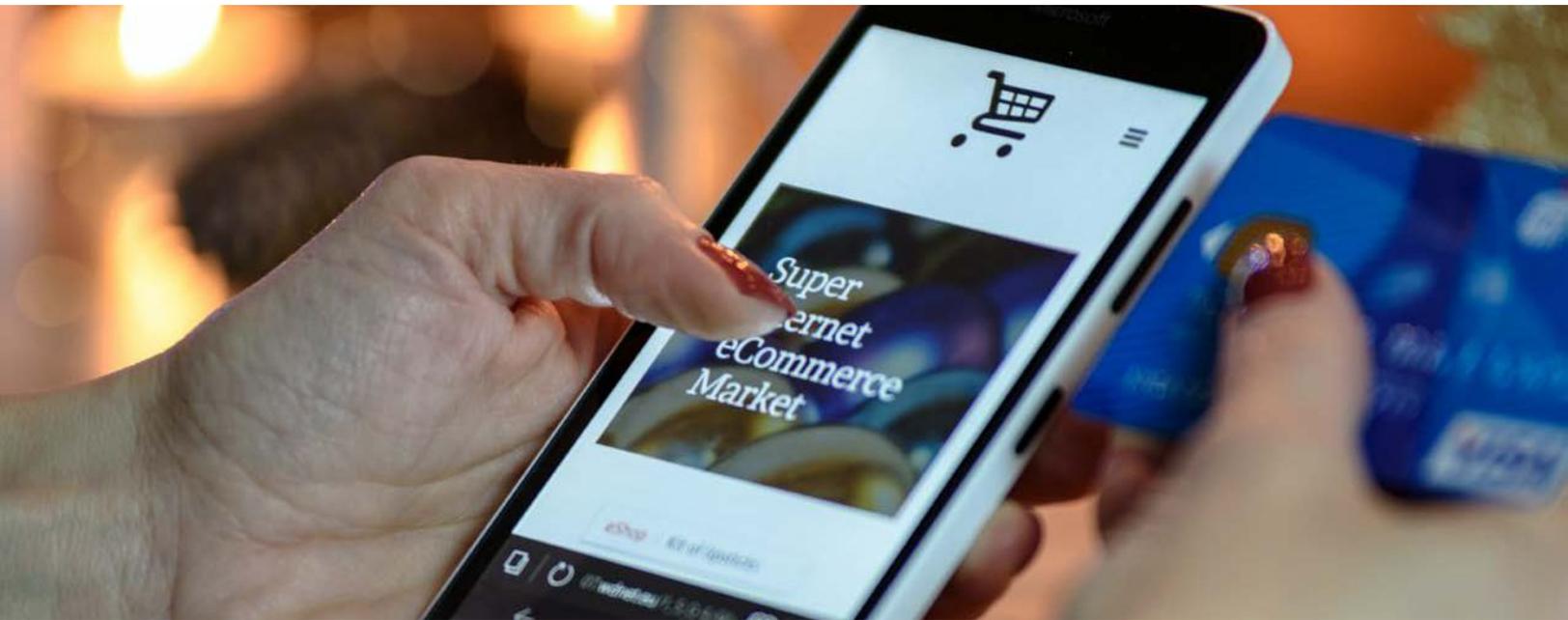
The inherent scalability of digital channels, even agent-led ones, also supports the effort to make care available on a 24/7/365 basis. Agents can only handle one phone call at a time, but they can concurrently engage in multiple chats or messaging interactions. Companies, in turn, can leverage digital to expand availability without dramatically increasing cost or headcount.

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

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

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

Long wait times to reach agents
75.44%

Not collecting enough customer data
44.74%

Not providing enough contact options for customers
51.75%

Unable to deliver 24/7/365 support
49.12%

Attract employees who don't want to work "in a call center"
24.56%

Voice/audio quality issues in the remote work era
20.18%

Brand not visible enough with existing or potential customers
21.05%

Not enough proactive engagement; support is too reactive
47.37%

Experiences aren't sufficiently personalized
42.11%

POST-PANDEMIC DIGITAL WINS

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

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

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

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

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

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

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

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

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

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

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

capabilities (24%) and increased digital containment (27%) represented the two least common wins.
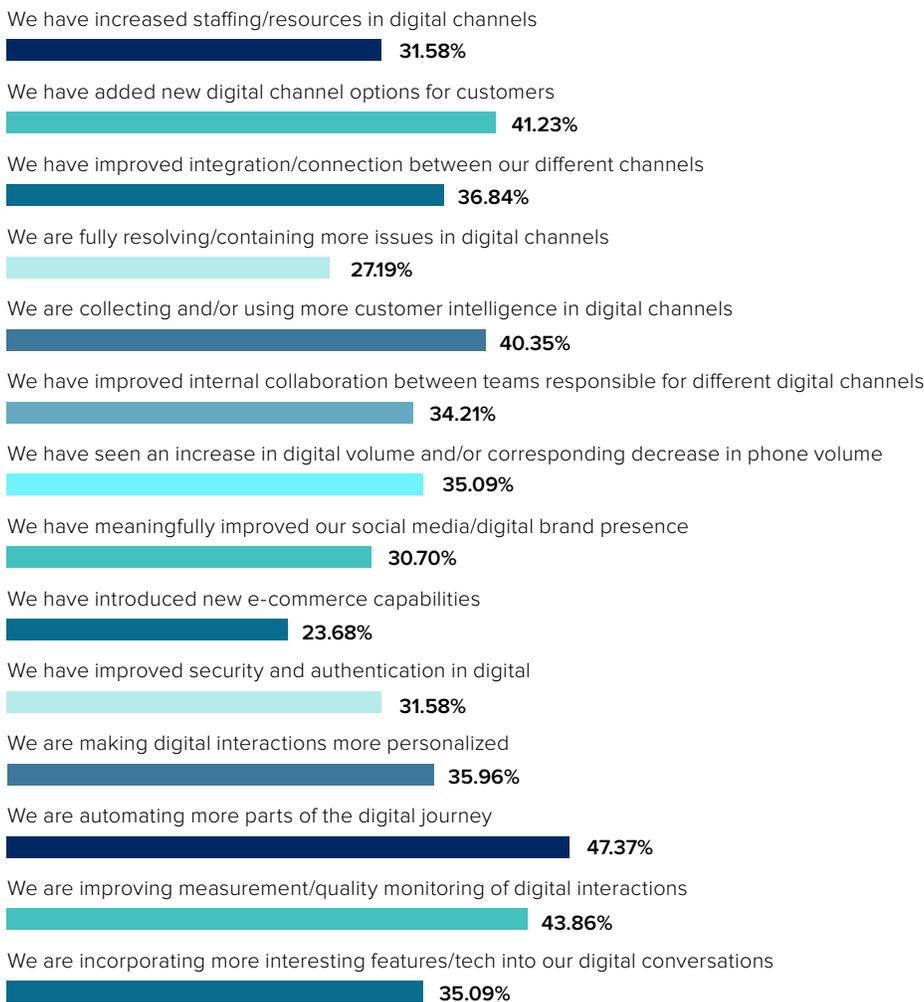
Insofar as the COVID-19 pandemic made e-commerce essential across many industries and demographics, it is disconcerting that the overwhelming majority of companies have not meaningfully improved their online purchasing experiences. Despite all the hype about competing on the customer experience, companies evidently felt no pressure to make purchasing more frictionless and personalized.

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

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

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

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

We have increased staffing/resources in digital channels
31.58%

We have added new digital channel options for customers
41.23%

We have improved integration/connection between our different channels
36.84%

We are fully resolving/containing more issues in digital channels
27.19%

We are collecting and/or using more customer intelligence in digital channels
40.35%

We have improved internal collaboration between teams responsible for different digital channels
34.21%

We have seen an increase in digital volume and/or corresponding decrease in phone volume
35.09%

We have meaningfully improved our social media/digital brand presence
30.70%

We have introduced new e-commerce capabilities
23.68%

We have improved security and authentication in digital
31.58%

We are making digital interactions more personalized
35.96%

We are automating more parts of the digital journey
47.37%

We are improving measurement/quality monitoring of digital interactions
43.86%

We are incorporating more interesting features/tech into our digital conversations
35.09%

INCREASING TRUST IN DIGITAL CHANNELS

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

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

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

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

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

Much like speed, ease of use is a central selling point for digital communication. More than 90% of consumers say they become more loyal to brands after engaging in frictionless digital interactions. An effort to make digital easier and more accessible, therefore, is an effort that should grow customer trust and satisfaction.
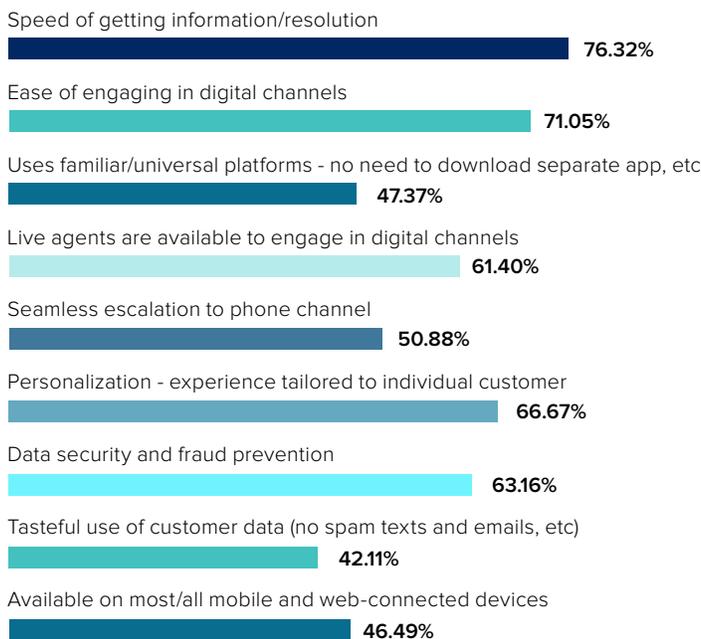
It is also worth noting that customers, due to a history of underwhelming digital experiences, may not know everything that modern channels can do. By making it easier for them to access these options, brands can introduce customers to modern capabilities – and inspire more trust that they can achieve their desired outcome without calling.

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

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

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

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

Speed of getting information/resolution
76.32%

Ease of engaging in digital channels
71.05%

Uses familiar/universal platforms - no need to download separate app, etc
47.37%

Live agents are available to engage in digital channels
61.40%

Seamless escalation to phone channel
50.88%

Personalization - experience tailored to individual customer
66.67%

Data security and fraud prevention
63.16%

Tasteful use of customer data (no spam texts and emails, etc)
42.11%

Available on most/all mobile and web-connected devices
46.49%

ENHANCING DIGITAL EXPERIENCES

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

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

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

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

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

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

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

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

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

Do agents in your digital channels (email, social, chat, text, etc) have the same leeway to go "off script" and provide custom resolutions/make-good as those in your phone channel?
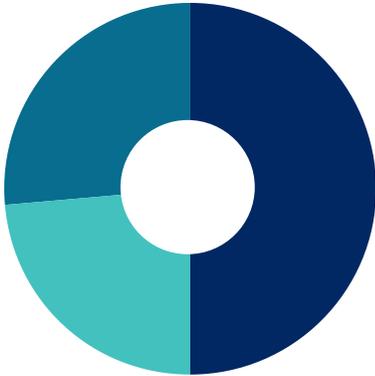
- **50.00%** Yes
- **23.68%** No
- **26.32%** N/A - can't compare as we either don't staff for digital or don't staff for phone

To what extent are you using digital-first features (such as geo-location, AR/VR, co-browsing, proactive text alerts, biometrics, visual menus, etc) to enhance customer experiences in digital channels?
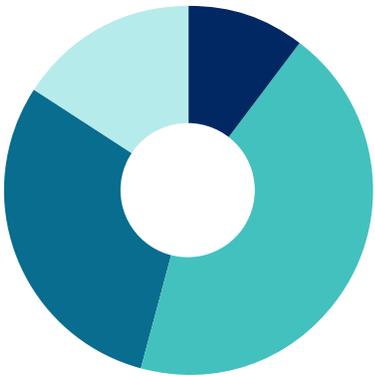
- **10.53%** Very frequently - all experiences feature unique digital features/technologies
- **43.86%** Somewhat frequently - some experiences feature unique digital features/technologies
- **29.82%** Rarely - experiences almost never use unique digital features/technologies
- **15.79%** Never - we don't use anything we couldn't offer over the phone

PRACTICALITY GUIDE:

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

AI
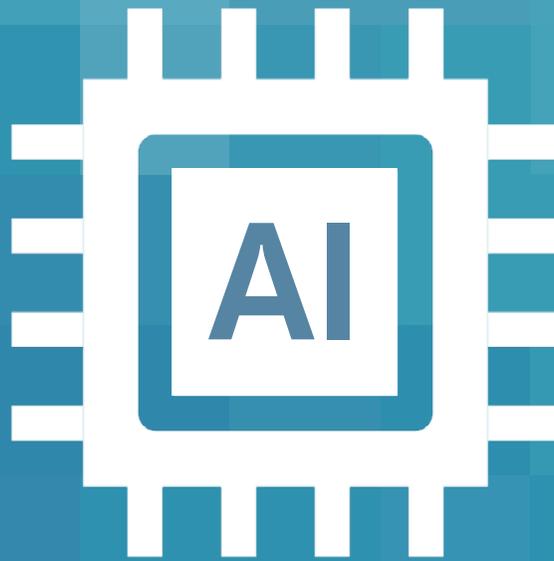
WHAT "PERSONALIZATION" REALLY MEANS IN TODAY'S CX LANDSCAPE

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

Today's consumers are no longer as easily impressed with simple personalization. They want brands to *leverage* what they know to create experiences that are easier, more relevant, and more likely to yield accurate, timely resolutions.

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

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

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

3 INHIBITORS TO CUSTOMER EXPERIENCE PERSONALIZATION

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

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

Settling for Insufficient Customer Intelligence

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

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

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

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

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

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

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

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

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

Struggling to Unify the CX Operation

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

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

Mistaking Low-Touch for Low-Value

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

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

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

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

REACHING THE NEW STANDARD OF PERSONALIZATION

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

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

Approach Personalization as an End-to-End Initiative

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

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

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

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

Adopt Empathy

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

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

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

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

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

Proactively Guide Customers To The *Best* Experience

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

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

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

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

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

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

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

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

Remove Barriers To Human Connections

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

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

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

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

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

TURNING PERSONALIZATION INTO CX RESULTS

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

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

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

Company: Luxury Car Brand

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

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

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

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

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

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

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

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

Company: America's Premier Entertainment Channel

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

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

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

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

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

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

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

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

Company: Top Manufacturer of Household Cleaners

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

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

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

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

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

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

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

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

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

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

We utilized the Hootsuite platform to monitor all key social channels for saboteurs and mitigate potential damage to the brand. Our client was recognized by The Wall Street Journal as emerging from the Covid crisis with exceptionally high CSAT scores:

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

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

APPENDIX

HARTE HANKS

📄 **7 Tips to Modernize Your Self-Service Customer Care**

2022 EDITORIAL CALENDAR

JANUARY

State Of Contact Center Technology

FEBRUARY

Strategic Planning For CX Operations

February 9-11, 2022

MARCH

Customer Contact Industry Review

APRIL

State Of Contact Center Technology

April 6-8, 2022

MAY

New Standards For Customer Contact Performance

May 25-27, 2022

JUNE

Customer Experience Trends, Challenges & Opportunities

JULY

Modernizing Service Experiences With AI & Digital

July 20-22, 2022

AUGUST

Modernizing Service Experiences With AI & Digital

TBD

SEPTEMBER

Customer Experience Trends, Challenges And Innovations

September 14-16, 2022

SEPTEMBER

Smart Contact Centers

TBD

OCTOBER

Business Continuity 2.0

October 26-28, 2022

NOVEMBER

Future Of The Contact Center: A Forecast

TBD

DECEMBER

Future Of The Contact Center: A Forecast

December 14-16, 2022

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