



The State of Customer Experience



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About this research

The State of Customer Experience is an ongoing series of consumer and business research related to customer experience (CX). This is the second global survey, executed in April and May 2021 on behalf of Genesys by an independent research firm. It includes insights from 2,629 consumers and 690 CX executives across multiple industries drawn from Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America.

The research was first conducted in 2017 and this report compares trends over time to understand how consumers prefer to interact with a business and what they value in a customer experience. It explores trends in the CX

function, including key strategic priorities and the leading CX challenges executives are facing today.

It also explores the changes in consumers' channel preferences and satisfaction, the devices they're using to interact with businesses, trends in personalisation and how consumers are using social media to advocate for the companies that provide excellent service.

About Genesys



Spanning over 100 countries, we cover a lot of ground.



Maybe one day we'll get Antarctica, but until then we have the other continents covered.



Genesys employees work together to create the best customer experiences.



01 The key trends shaping CX today

Times have changed. In 2017, digitalisation was at a nascent stage with just one in six consumers using messaging or bots for service interactions. The COVID-19 pandemic was a turning point. Digital channels are now mainstream; and many CX organisations have struggled with the growth in transaction volume and complexity. This research finds we're entering a new phase — one that's shaped by five major trends:

1. Companies want to win on CX:

The pandemic has elevated the importance of customer experience as an organisational differentiator. Almost two-thirds of surveyed CX leaders said that headcounts are increasing in 2021 and three out of four have a greater budget than they did in 2020.

2. Digital adoption and transaction volume have soared:

The pandemic has, by necessity, driven people online and accelerated shifts in consumer behavior. This survey finds that the use of chatbots, social media and mobile apps has more than doubled since 2017. According to data from Genesys Cloud CX™ platform usage, interaction volumes across voice, email and live webchat doubled from 2020 to 2021. But first-contact resolution (FCR) remains the biggest gap organisations need to close.

3. Employee experience takes center stage:

Two of the top three challenges facing CX leaders in 2021 relate to the workforce. Engagement, training, quality control and monitoring compliance are increasingly challenging in new and distributed work environments. CX leaders said agent-assist technology as well as quality management and workforce optimisation tools are among the most valuable new features for managing CX today.

4. **There's increased ROI on personalisation:**

Using data and AI for customer insights and personalisation is the number one strategic priority for CX leaders in 2021. Survey data also shows that efforts to personalize are paying off — consistently personalised experiences are powerful drivers of wallet share and peer advocacy. Compared to 2017, social media users are more likely to give positive than negative reviews about their customer experiences.

5. **Cloud platforms are driving innovation:**

With the rise of cloud-based platforms, the ability to rapidly test new technologies has turned CX into an innovation hub. Survey respondents are finding value in a wide range of new features and capabilities — quickly deploying new solutions and measuring the impact on customer satisfaction, employee engagement and operational effectiveness.

As a result of these trends, organisations are becoming increasingly thoughtful about how they orchestrate the overall customer experience. Digital experiences can drive greater customer insight, personalisation and satisfaction if they're well executed; they can also lead to better self-service and efficiency. But disjointed or dissatisfying digital experiences remain a worrying source of consumer frustration.

This report explores how consumers and companies are interacting in 2021. It surfaces the good, the bad and the ugly about customer experience, and explores where CX leaders can win in today's experience economy.

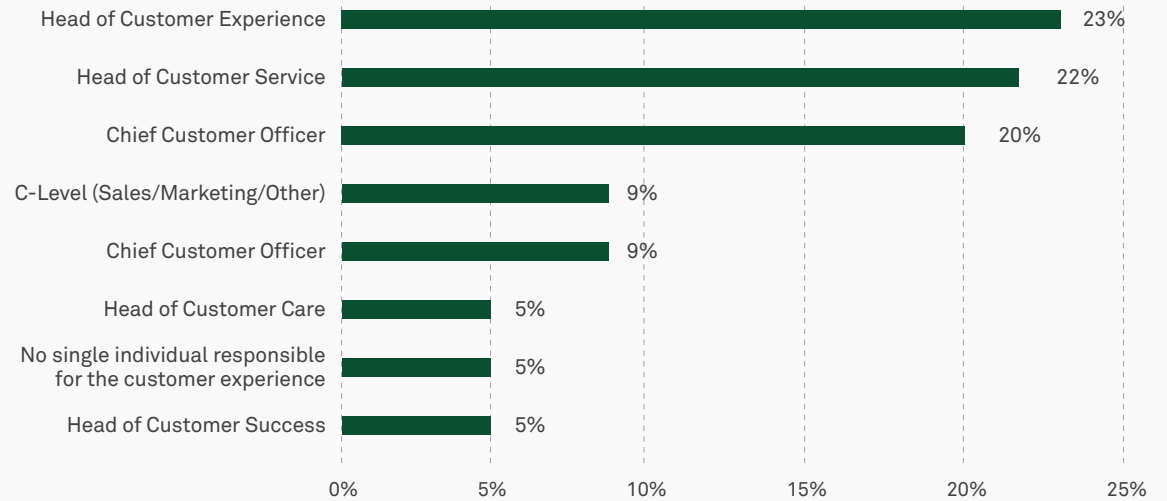


CX is at the top table

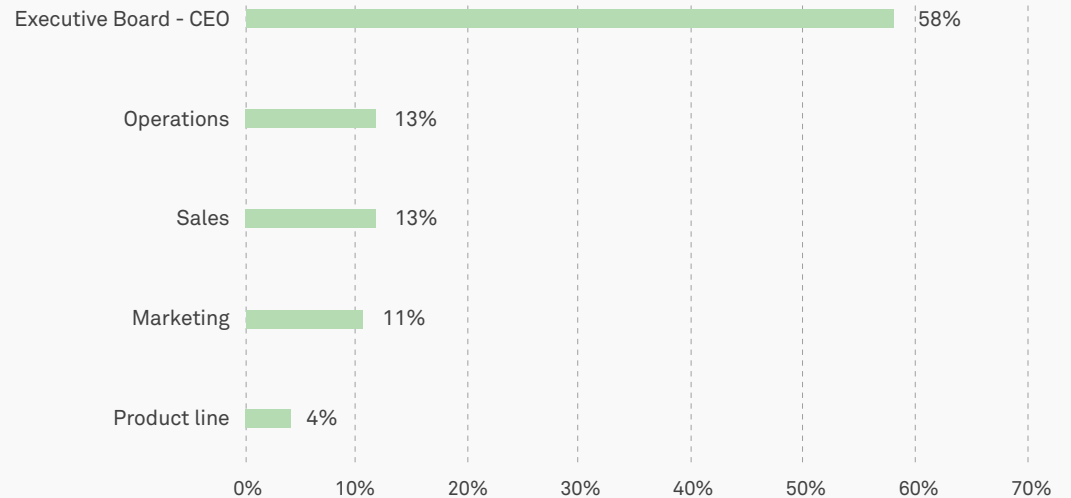
Customer experience is a board-level priority for more than half of surveyed companies.

CX functions are focused on the customer’s overall experience, as well as service interactions and quality. Survey respondents said the Chief Experience Officer (23%) typically leads the CX function, followed by the Head of Customer Service (22%) or Chief Customer Officer (20%). At 58% of surveyed companies, these leaders report to the Executive Board or CEO, while the rest are accountable to either operations, sales, marketing or product organisations.

CX leaders: Who leads the customer experience function?



CX leaders: Which department does customer experience report to?



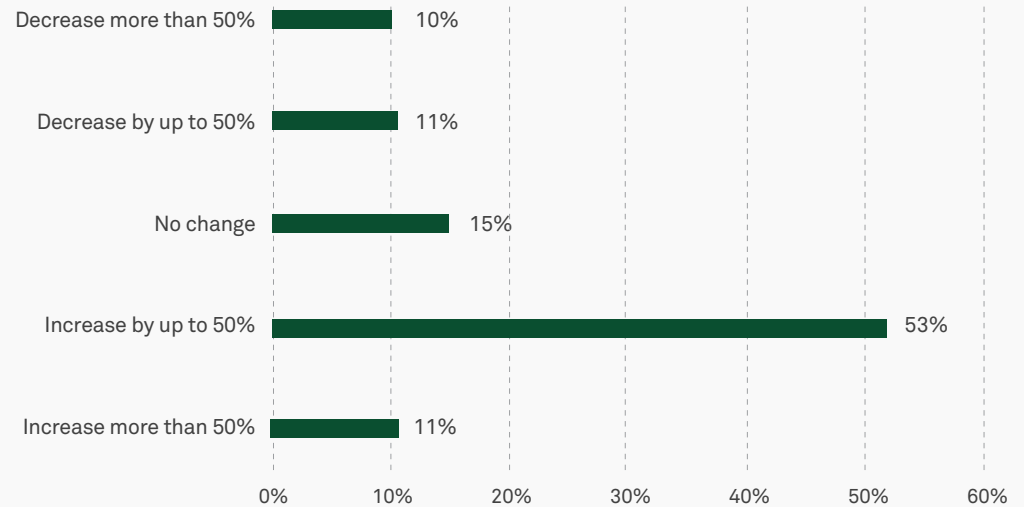
Headcounts and Budgets

CX functions are receiving additional resources and investment.

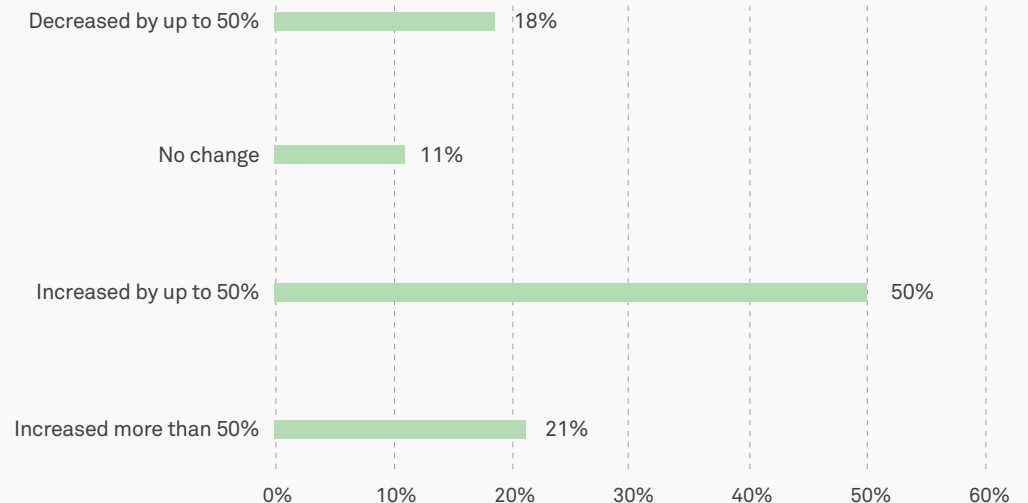
Almost two-thirds of CX leaders who participated in the survey report that their headcounts are growing in 2021. And 11% of survey participants said they'll add more than 50% more seats this year. Genesys Cloud CX data shows that, despite growth in digital channels, the number of calls to contact centers doubled from 2020 to 2021 (see more in Chapter 3).

The same trend is true when it comes to customer experience budgets. While 18% said budgets will be reduced and 11% said their budgets will remain flat, 71% of respondents reported receiving a budget hike in 2021. About one-fifth gained a budget increase of 50% or more.

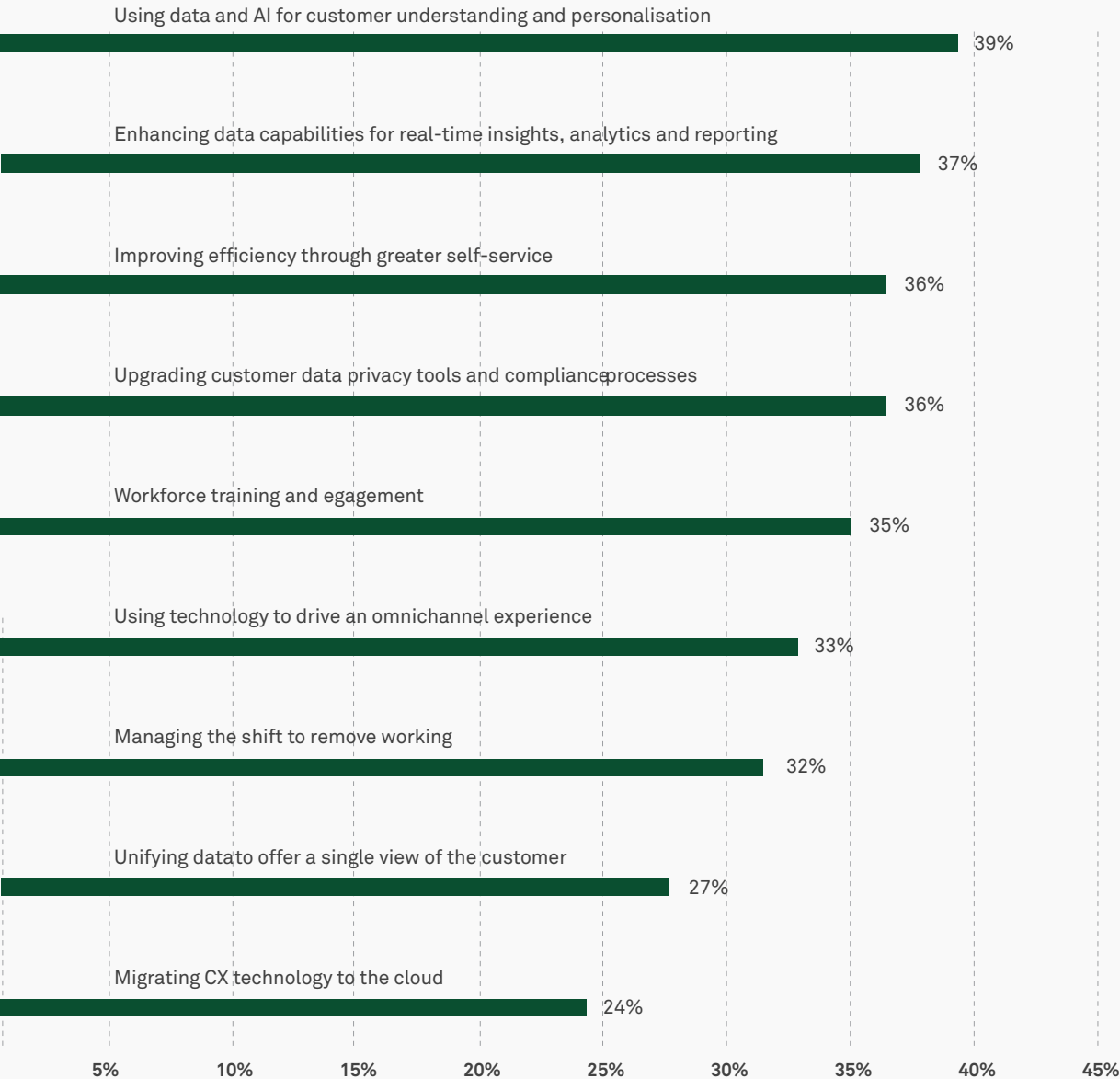
CX leaders: How do you expect headcount in your contact center to change over the next 12 months



CX leaders: How has your customer service budget changed from 2020 to 2021?



CX leaders: What are your company's greatest strategic CX priorities for 2021?



Strategic priorities for the year ahead

Driving customer-centricity through data, insights and AI are at the heart of CX strategy.

Making better use of data is a key theme for CX leaders worldwide. This strategy is taking shape through initiatives to use data for building deeper customer insights and greater personalisation. It also involves using information to better understand the performance of the CX function and locate pain points or bottlenecks.

The foremost strategic priorities for CX leaders in 2021 are: using data and AI for customer understanding and personalisation; improving insights, analytics and reporting; driving efficiency through self-service; and upgrading customer privacy and compliance tools.

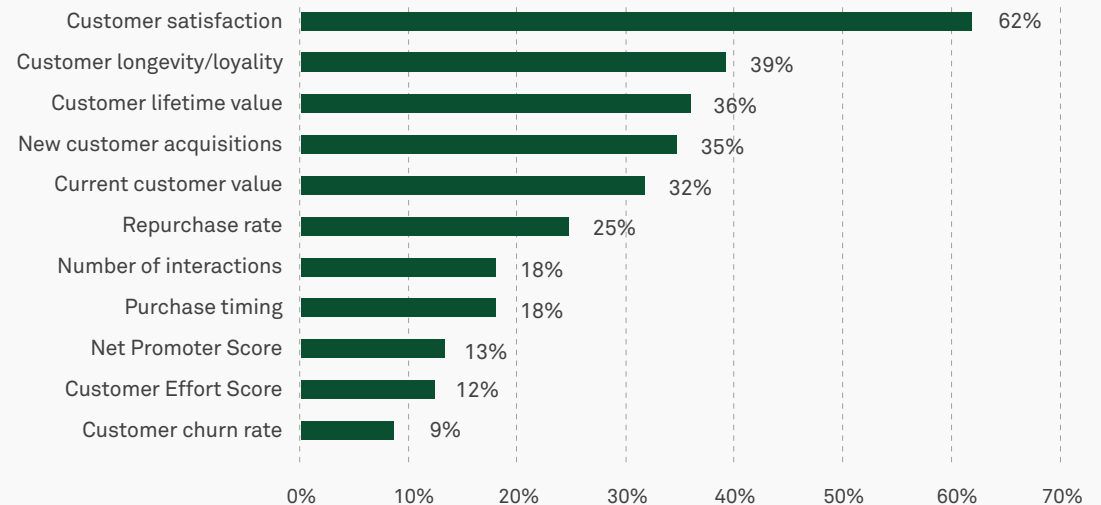
Measuring performance

Lack of shared metrics and ongoing data silos are the greatest organisational barriers to success.

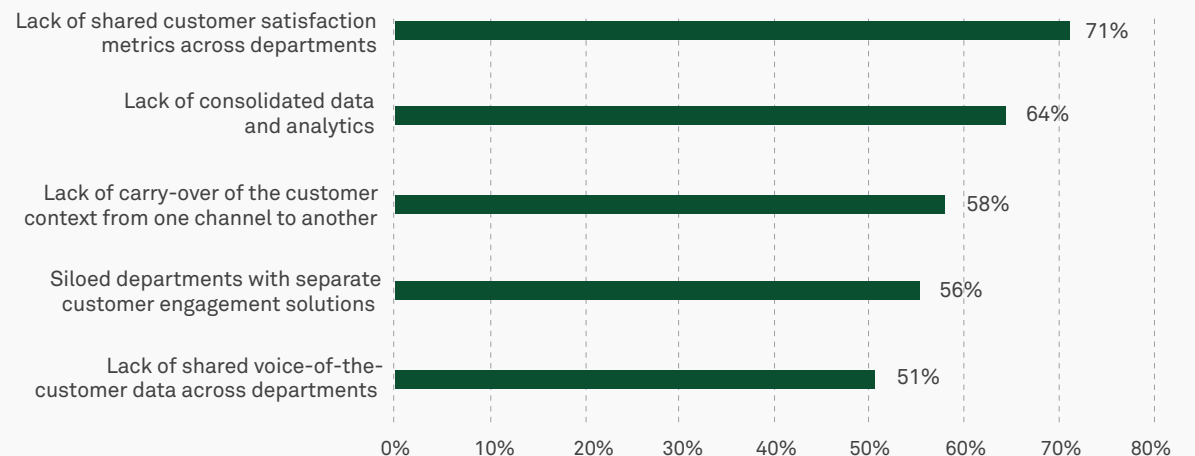
Customer satisfaction is the most important CX metric at two-thirds of surveyed companies; it stands far ahead of all other measures of customer success. Other key metrics are customer loyalty, customer lifetime value and new customer acquisitions — indicators of customer-led revenue growth. Relatively few CX leaders selected Net Promoter Score (13%) and Customer Effort Score (12%) as critical to business strategy.

To successfully drive organisational performance, metrics must be shared — CX leaders reported this is a gap in their organisations. CX leaders cited a lack of consistent metrics, along with a lack of consolidated data and analytics, as the greatest organisational barriers to success. Another key challenge is insufficient customer context being carried from one channel to another.

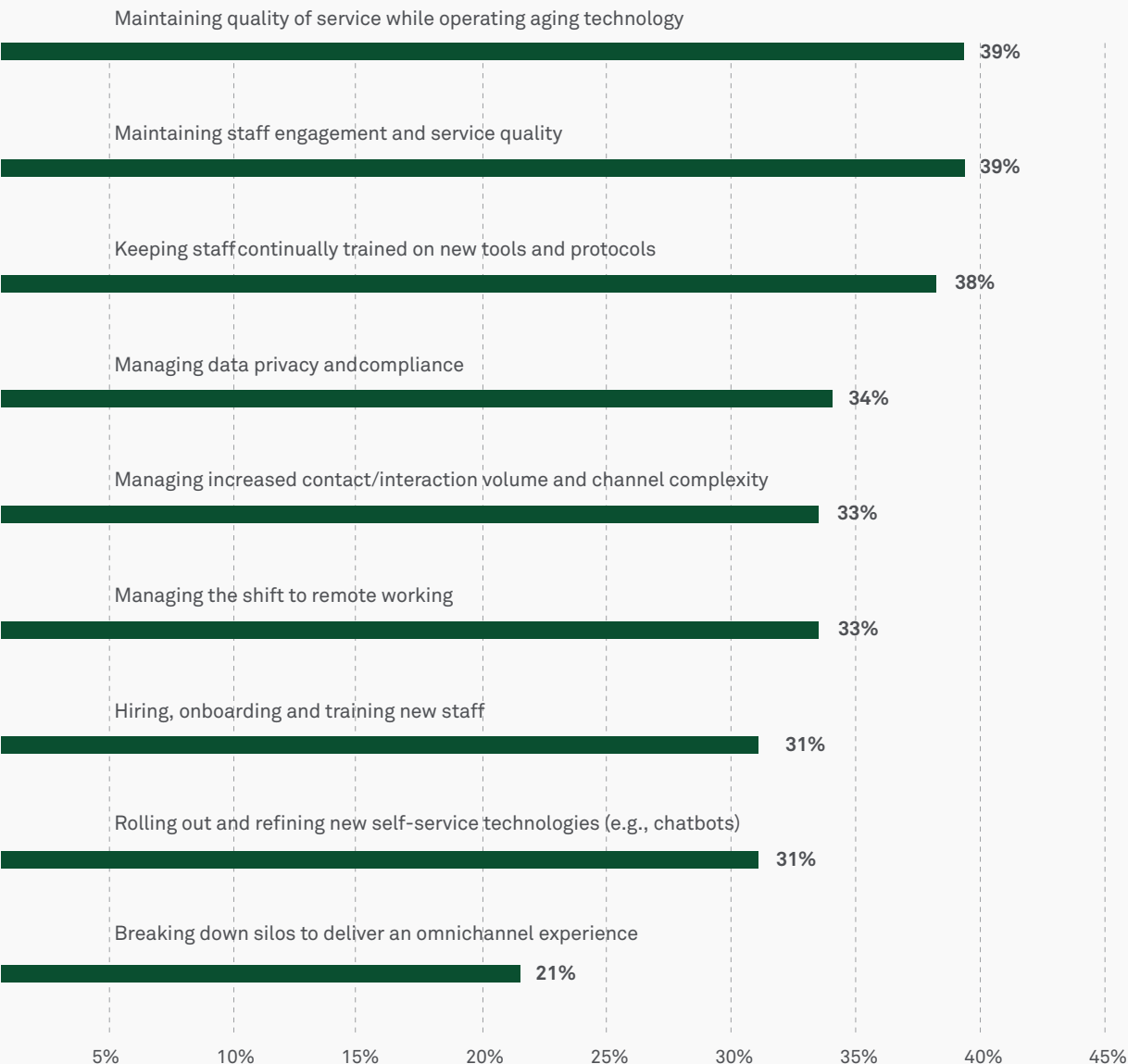
CX leaders: Which CX metrics are most critical to your business strategy?



CX leaders: Which organisational issues impact your ability to deliver a seamless customer experience?



CX leaders: What are the top three challenges facing your CX function in 2021?



Challenges facing CX leaders

Aging technology and workforce challenges are top of mind for CX leaders.

The rapid shift to remote working, which for many organisations happened within a matter of weeks in 2020, has created numerous challenges for CX executives. These relate both to employees and the technology being used to deliver customer experiences.

Businesses are concerned about how to maintain staff engagement and service quality, as well as how to keep workers continually trained on new tools and protocols. Compliance and privacy are also ongoing concerns, likely heightened in an environment of remote supervision and disruption to standard working practices.

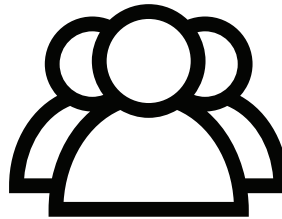
The ability of aging technology to deliver high-quality service is also a key concern for CX leaders. The pandemic highlighted many of the limitations of existing platforms as businesses found themselves needing to scale quickly, innovate with new channels and services, and support home-based working.

Key Takeaways



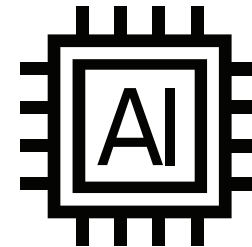
Drive urgency around technology refresh and expansion:

The pandemic highlighted many of the limitations of aging technology, particularly rigidity and inability to scale. CX leaders should also understand how aging technology constrains their ability to improve staff engagement and service quality. Cloud and AI-based technology can empower teams with rich data and dashboards, support them in the moment, offload administrative tasks, and drive quality and consistency.



Focus on training and engagement:

CX teams have been through a period of immense change, both personally and professionally. Almost two-thirds of survey respondents said that headcounts are growing, and they will add contact center seats this year. It's essential that they also focus on training and workforce engagement to empower these teams to deliver exceptional experiences.



Break down data silos:

The top two strategic initiatives for CX functions in 2021 relate to data: using data and AI for customer understanding and personalisation; and gaining deeper insights and driving performance improvement. Yet organisational silos that prevent data sharing are barriers to CX success. Businesses must break down those silos to gain a full perspective of the customer journey, as well as the effectiveness of distinct interactions.



“
It gives our agents
all the tools they
need to do their job
in a single view, in the
same window they
use to handle calls.

Brian Harris,

Director, Americas Remote
Support, Carestream Dental

Case study

Delighting customers and engaging employees

Looking to improve both the customer and employee experience, Carestream Dental updated its workforce engagement strategy and tools. The US-based dental imaging technology company used gamification and cloud-based productivity tools to simplify resource planning and scheduling, and improve schedule adherence and response time, leading to its highest-ever Net Promoter Score (NPS).

Carestream Dental has 225 customer care advisors who are globally dispersed at technical solution centers. They support more than 30 products and typically interact with customers through phone, email and chat. Advisors handle about 40,000 calls a month. All that volume generates a great deal of data that Carestream Dental is now using in real time to optimise operations.

“Every quarter, we’d disseminate multiple reports, review performance data and provide employees with feedback,” said Brian Harris, Director, Americas Remote Support, Carestream Dental. “That wasn’t helpful to the individual or the company because it meant both were potentially carrying bad habits and practices for three months.”

Today, agents can quickly see how they rank within their team on any measure. And they can understand which behaviors they should change to maximize their performance and achieve rewards and incentives. “It gives our agents all the tools they need to do their job in a single view, in the same window they use to handle calls,” Harris added. So, we were able to provide a better experience and quickly secure user acceptance.”

And gamification is breaking down organisational silos. “We ran a World Cup competition, which gave teams who would not normally interact together the chance to meet, have fun and compete for prizes,” said Harris. “That broke the ice — and now there’s much more knowledge sharing and collaboration.”

The impact of these changes is notable. Top-line results include 15% faster response times and a 10% improvement in schedule adherence. This all led to lower abandonment rates. The company also reached a record NPS rating, up six points from the previous year.



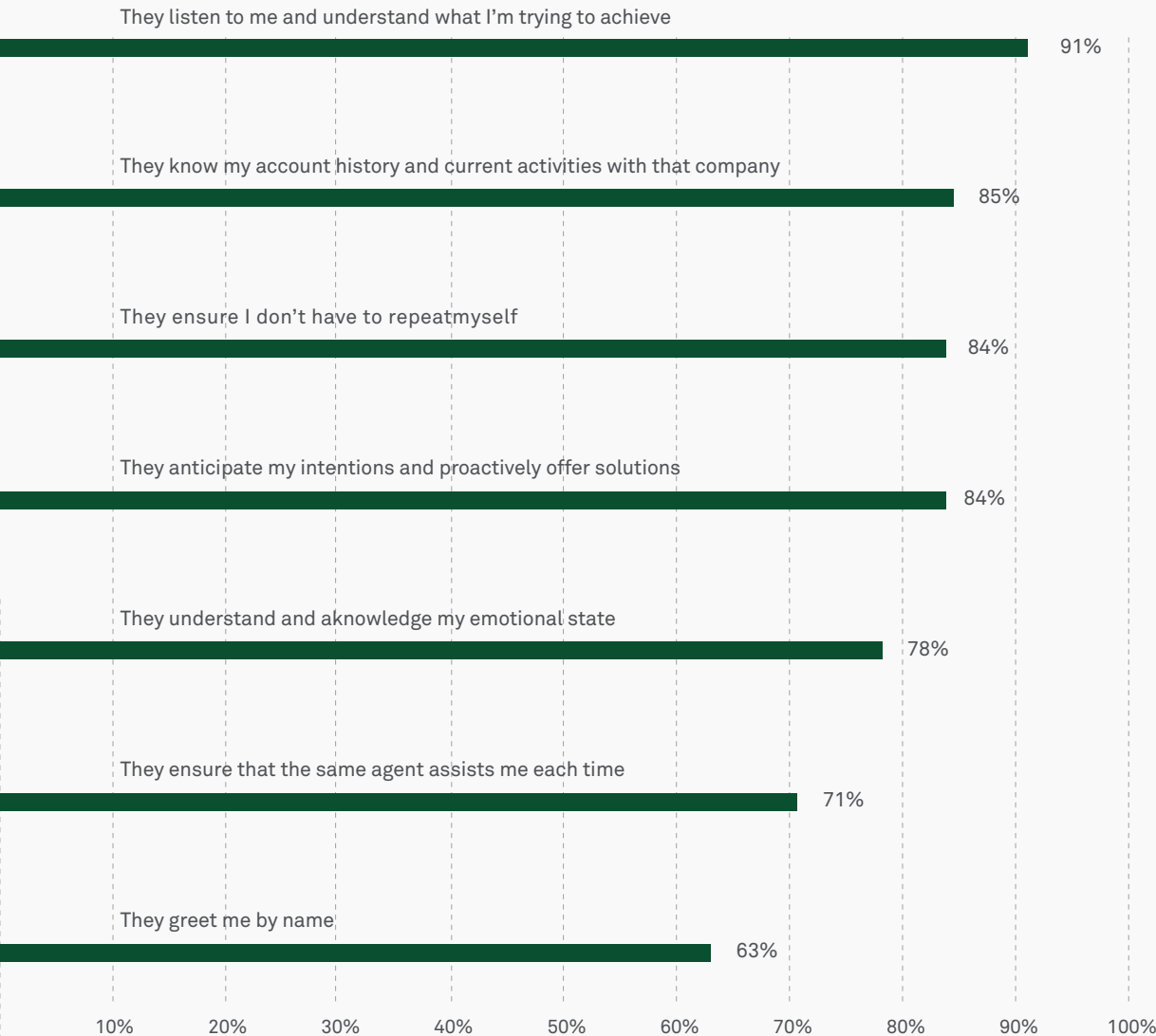
02 Delivering exceptional service

In this chapter, we'll explore how consumer preferences have changed over time and how well businesses listen and respond to the shifts in activity and behavior.

To deliver exceptional services, companies must first be clear on what customers consider “exceptional.” The survey finds some significant disconnects between the service criteria consumers find most valuable and what businesses focus on delivering. The greatest gap is around FCR. While more than half of consumers said it's what they value most in a service interaction, just a third of businesses give it the same level of priority. Additionally, CX leaders give their organisation a lower FCR effectiveness rating now than they did in 2017.

However, consumer feedback points to a positive trend in customer experience in most industries. Several industries have made big gains in consumer perception since 2017, which indicates CX strategies and investments are paying off.

Consumers: For the companies you do repeat business with, what are the most important attributes of customer service?



Empathy is the foundation for loyalty

Customers want to be listened to, heard and understood.

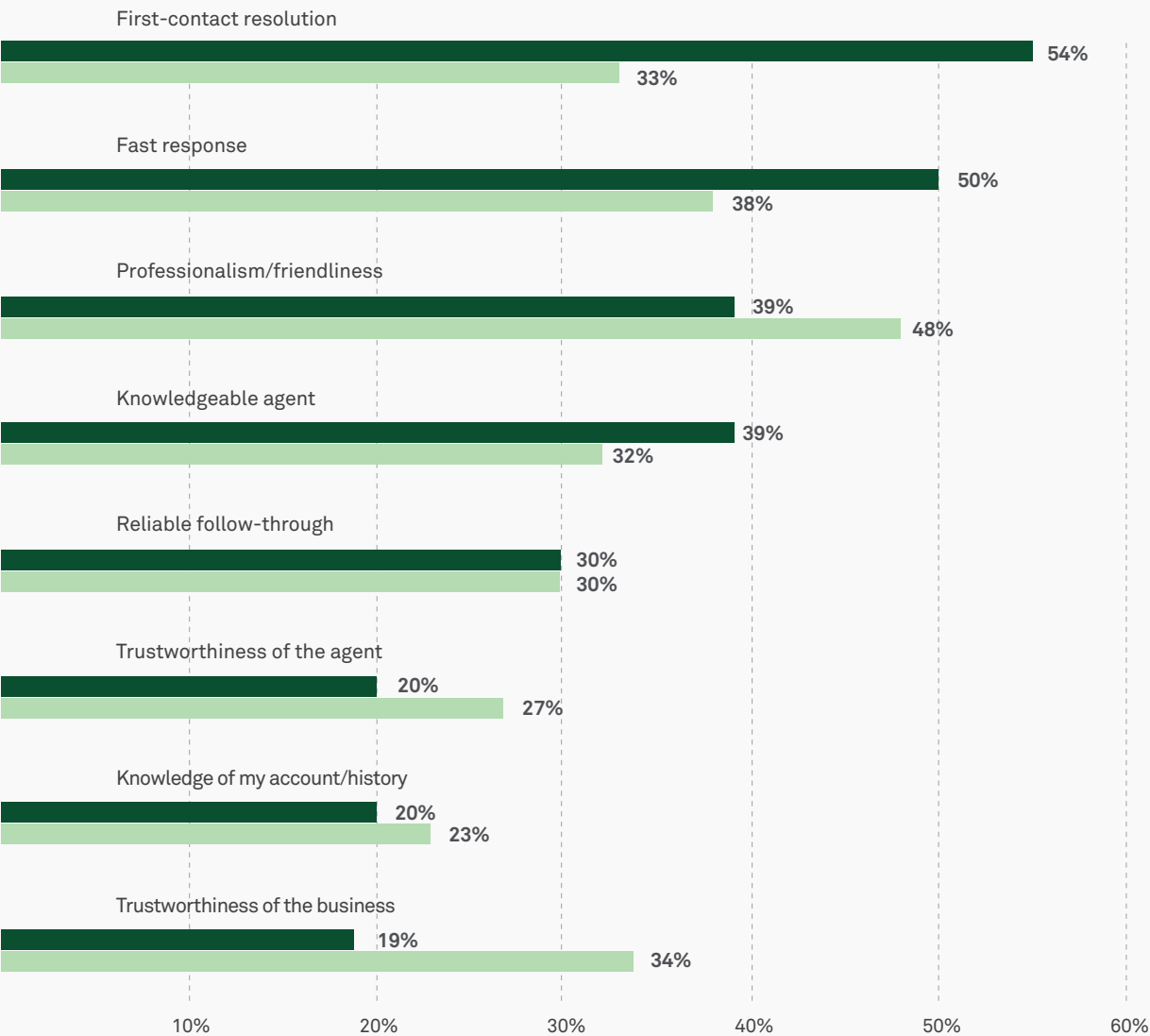
Customers are loyal to the businesses that listen to them and understand their needs. Asked specifically about companies they do repeat business with, nine out of 10 consumers said the most important service criterion is being listened to — and having an agent understand what they're trying to achieve.

Key to delivering an empathetic experience is having customer context transferred across channels, so CX employees can see all the interaction history. This also means customers don't need to repeat themselves.

Routing customers to an employee who's best suited in terms of skills and knowledge to address their issue also ensures customers are understood. Companies can use digital engagement to gather data on customer intent and proactively offer solutions.

Consumers and CX leaders: Which of these do you/does your company value the most in a customer service interaction?

■ Consumers
■ CX leaders



The biggest disconnect

Businesses place insufficient importance on what matters most to consumers.

There's misalignment between what customers care about and what businesses prioritise. The top criterion for consumers globally in a service interaction is FCR, followed by getting a fast response.

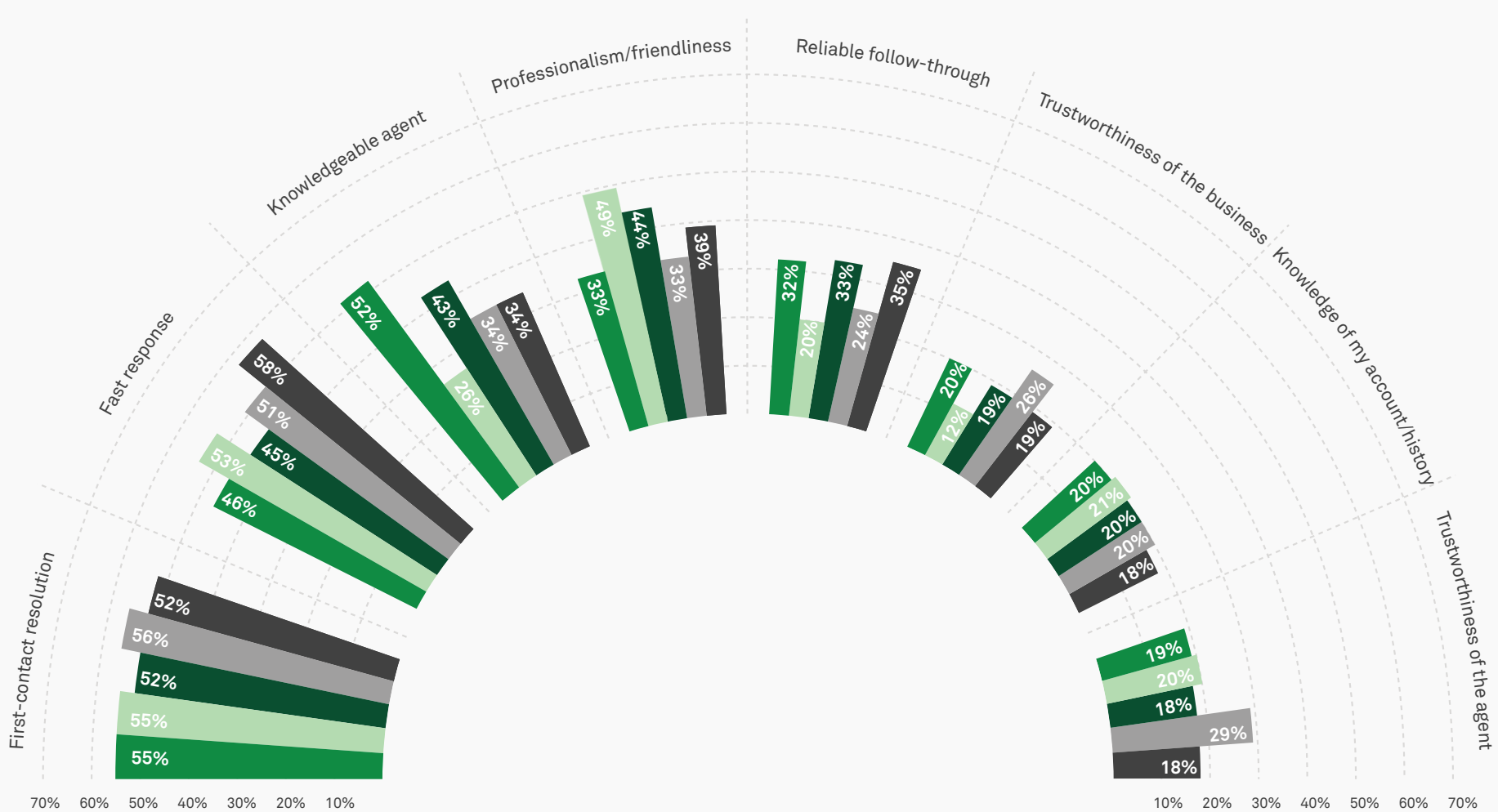
CX leaders reported that their businesses typically prioritise professionalism, speed and trustworthiness as factors that matter most in a customer interaction. One-third of CX executive respondents selected FCR as the service criterion that their organisation values most, and just 41% said their company is extremely effective in providing FCR.

By focusing more on speed rather than issue resolution, businesses may require their customers to call back or interact with multiple channels before their needs are met — creating a time-consuming customer experience.

There are regional differences to consumer priorities. Consumers in Asia-Pacific emphasize a fast response; having a knowledgeable agent is much more important to respondents in North American than to those in other regions. Consumers in Latin America place more importance on friendliness and professionalism, particularly more than those in the Middle East/Africa and North America.

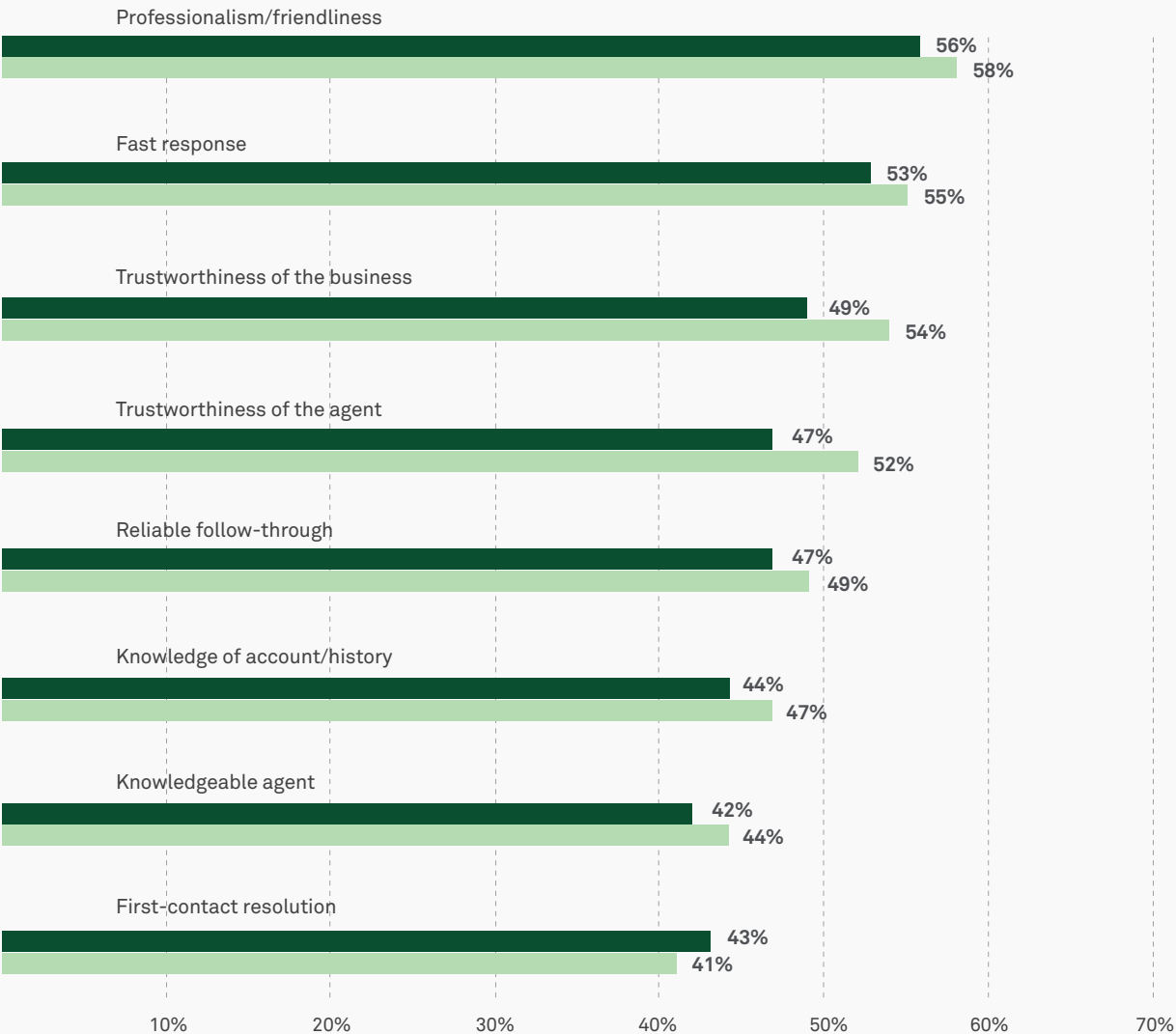
Consumers: Which of these do you value most in a customer service interaction?

- North America
- Latin America
- Europe
- Middle East/Africa
- Asia-Pacific



CX leaders: How effective is your organisation on each of the following service criteria? (% selecting “highly effective”)

2017 2021



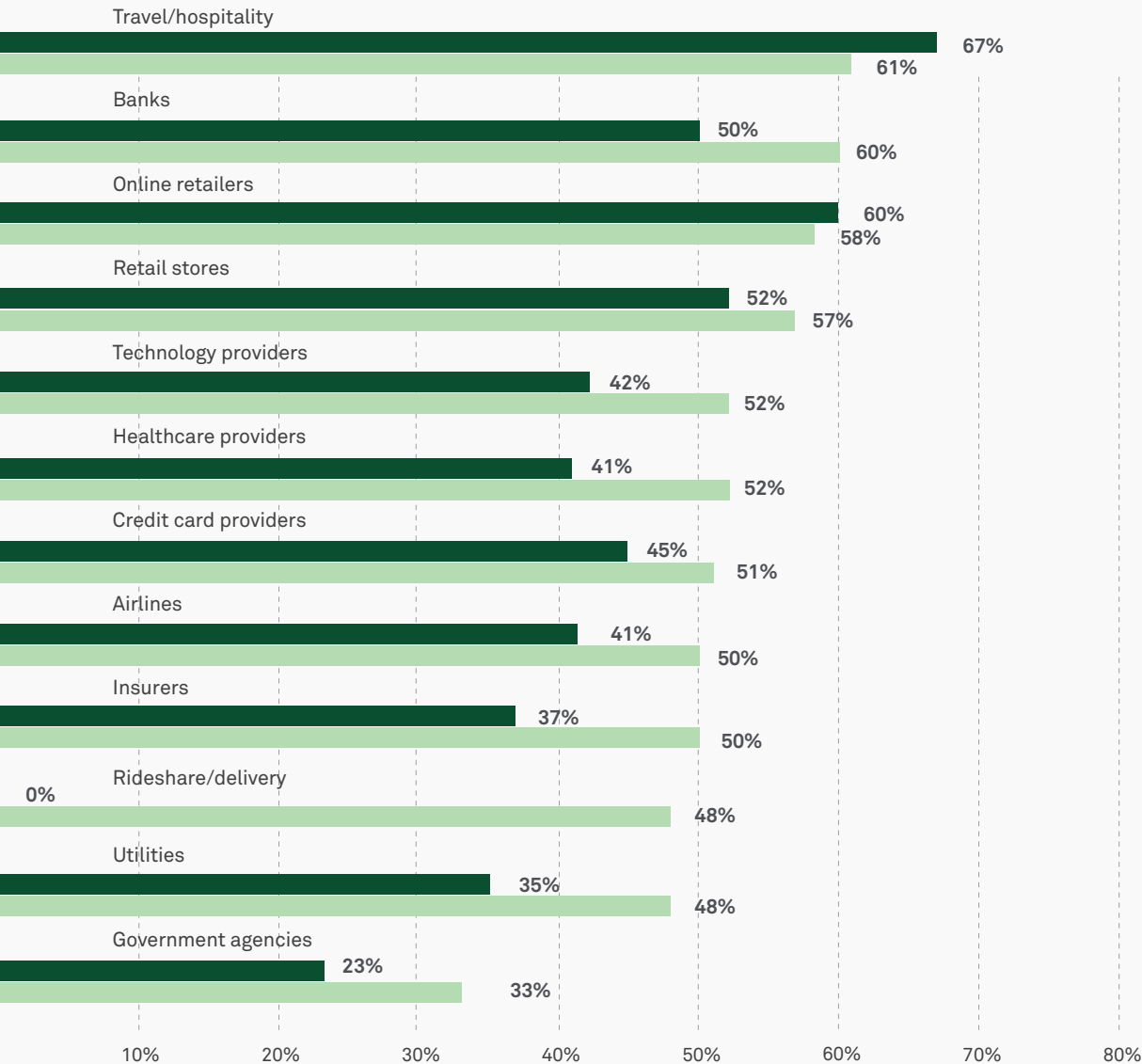
CX Effectiveness

Businesses are becoming more effective at delivering on service criteria.

CX leaders reported that their effectiveness in delivering on these criteria has marginally improved between 2017 and 2021. Still, the gains are small, and effectiveness in the area that consumers said is most important — FCR — has slightly declined. One reason could be a rise in email volume; consumers often include multiple intents that multiple people need to clarify or resolve.

Consumers: Companies in which industries provide the best customer experiences?

2017 2021

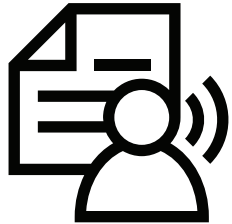


How industries stack up

Financial services, technology companies and healthcare providers gain in consumer perception.

When asked about which industries provide the best customer experiences, the survey shows gains for a variety of sectors. Travel and hospitality companies are still considered to provide the best customer experience, although the gap with other industries has narrowed. Banks were ranked fourth in 2017 and second in 2021. Technology providers, healthcare providers, airlines, insurers and utility companies were ranked more highly in 2021 than in the previous survey.

Key Takeaways



Listen and understand:

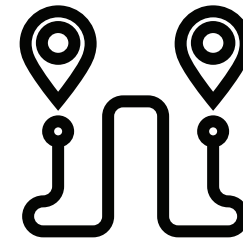
There are many mechanisms available for companies to gather voice of the customer data, including metrics and surveys, sentiment analysis, social listening, and focus groups. This is the starting point for empathy. But this research finds an alignment gap — companies aren't prioritising consumers' top concerns. CX leaders should answer the following question: "Do we really understand and deliver on our customers' top priorities?"



Close the first-contact gap:

The biggest gap to close is in providing FCR. This failure not only frustrates customers and wastes their time, but it also drives up transaction volume — and costs.

Solutions to close this gap lie across the entire customer journey, and in the platforms and infrastructure used to deliver customer experience: digital engagement and AI to gather information on customer intent and predict next-best actions; equipping CX employees with the knowledge and skills to resolve issues completely; and rewarding thoroughness and completeness, as well as schedule adherence, in CX interactions.



Learn from best practices:

The top two strategic initiatives for CX functions in 2021 relate to data: using data and AI for customer understanding and personalisation; and gaining deeper insights and driving performance improvement. Yet organisational silos that prevent data sharing are barriers to CX success. Businesses must break down those silos to gain a full perspective of the customer journey, as well as the effectiveness of distinct interactions.

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We can make the customer experience effortless by significantly improving FCR, call abandonment rates and customer satisfaction.

Steven Zhu,
Product Lead, Nexon

Case study

Happier customers through improved first-call resolution

As a technology advisor and managed services provider, Nexon Asia Pacific helps clients run their businesses better, acting as an integral part of the IT team. Customer experience and happiness are at the core of its services.

Nexon, based in Sydney, Australia, uses its HelpDesk Happiness Model to measure and analyze customer experience from end to end. And because Nexon knows FCR is one of the most critical metrics for any contact center, the company implemented cloud-based contact center technology to empower agents with more information.

“First-call resolution is one of the key things we strive for, so we need to have all critical information coming in so that our front-line team can immediately see what’s happening and quickly resolve issues,” said Malcolm Green, Senior Contact Center Engineer at Nexon.

This, ultimately, improved real-time visibility and lifted FCR rates. Plus, the company can satisfy more of its managed service customers, measure agent efficiency and track overall performance.

The service desk now can triage an issue and then redirect or transfer the caller to the person best suited to answer their question. “We can make the customer experience effortless by significantly improving FCR, call abandonment rates and customer satisfaction,” said Steven Zhu, Product Lead at Nexon.



03 Channel evolution

In 2017, more than half of consumers reported using a landline to contact customer service — in 2021, that dropped to one in four. Today, smartphones, laptops and desktops are the most frequently used devices for CX interactions. And that significantly affects channel preferences.

Voice remains the most popular channel, but email has grown significantly, too. Consumers are increasingly confident using a range of digital channels, such as chatbots, video and messaging. And they use widely available 24/7 asynchronous interactions.

Satisfaction with those channels hasn't grown at the same pace. Between 2017 and 2021, consumer satisfaction with voice channels, mobile apps and messaging has largely plateaued. Surveyed consumers rate voicebots and webchat more highly than they did before but gave chatbots — now almost ubiquitous — the lowest satisfaction score of all the channels in this survey. CX leaders are aware that bots fall short, with less than half of those surveyed rating their chatbots as highly effective in meeting customer expectations.

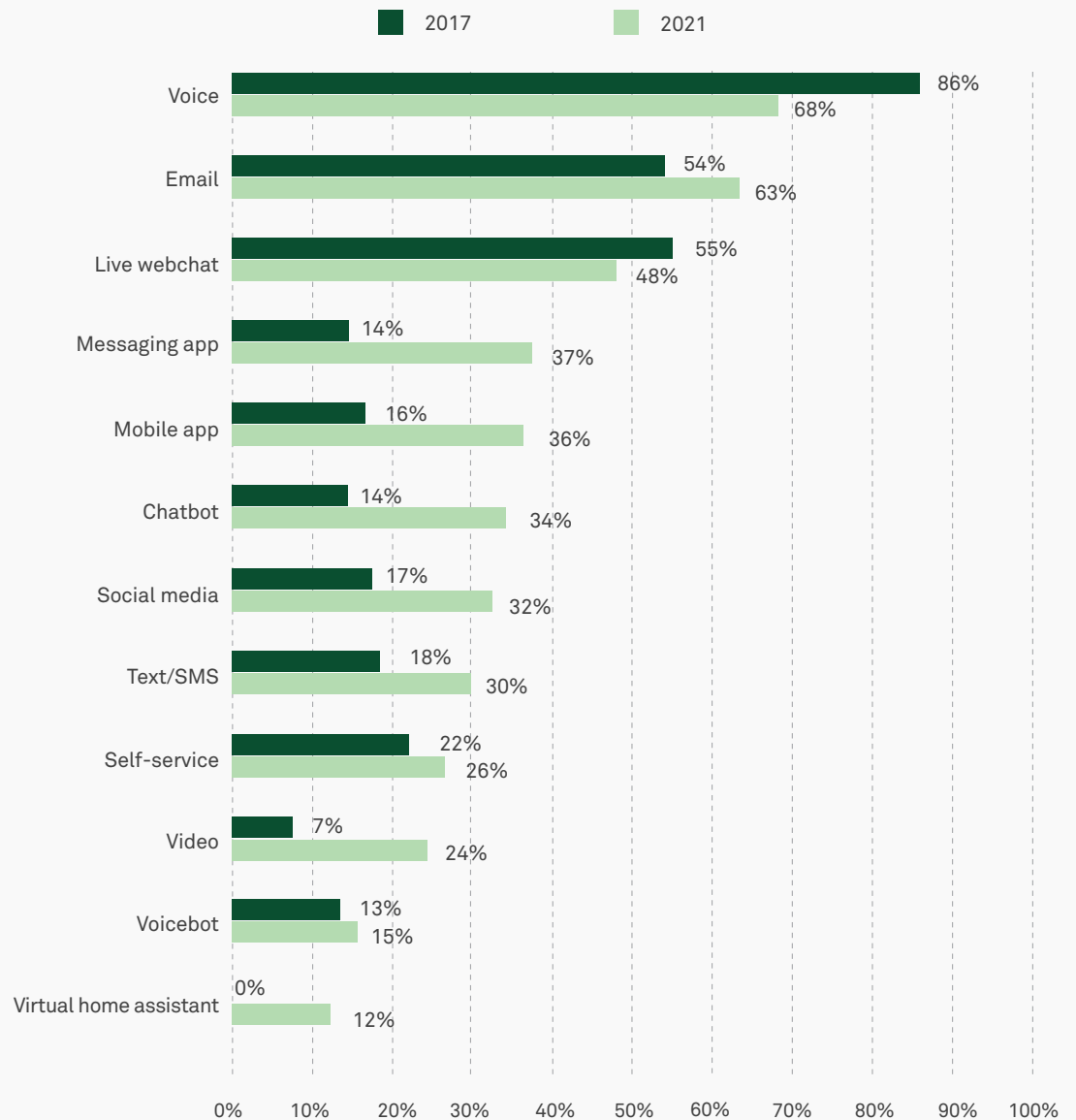
Digital channels gain strength

Use of messaging and chatbots has more than doubled.

Consumer behavior has evolved significantly since 2017. Voice remains the most used channel for contacting customer service for consumers worldwide, but digital channels are growing rapidly. Almost two-thirds of surveyed consumers have interacted with companies via email and nearly half have used live webchat.

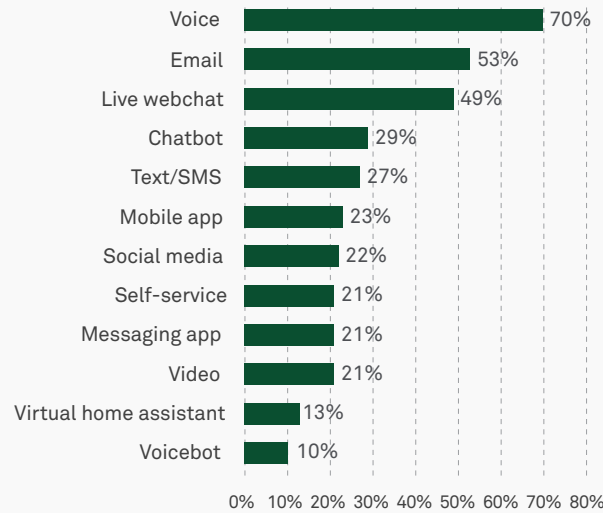
The number of consumers interacting with customer service through messaging, mobile apps, chatbots, social media and video calling more than doubled between 2017 and 2021. Voicebots have gained less traction than other text or voice-based channels. New since 2017, more than one in 10 consumers worldwide has used a virtual home assistant such as Amazon Alexa or Google Home to interact with customer service.

Consumers: Which of the following have you used in the past 12 months for a customer service interaction?

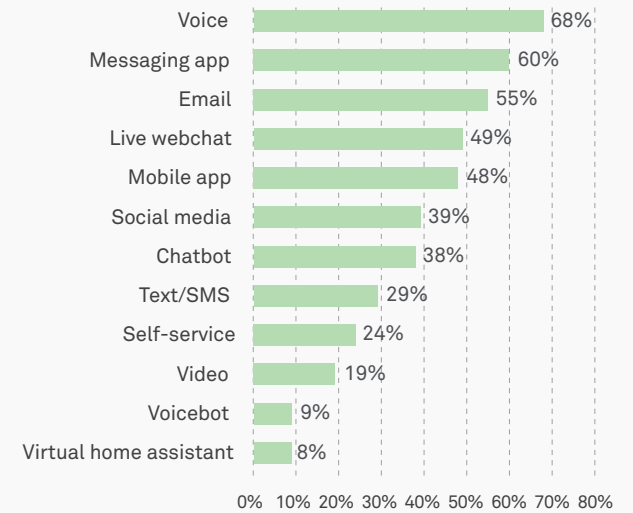


Email is the most frequently used channel for CX communication in Europe. Messaging is very popular in Latin America (60% of consumers have used a customer experience messaging channel in the past 12 months) and the Middle East/Africa (56%). More than a quarter of consumers in Asia-Pacific have used video calling for customer service in the past year.

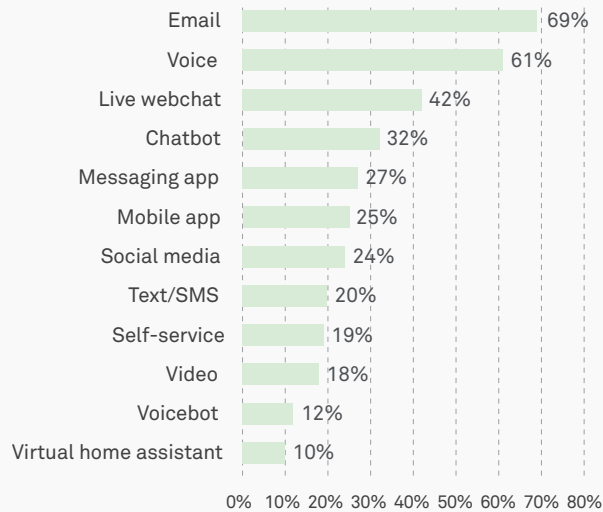
North America



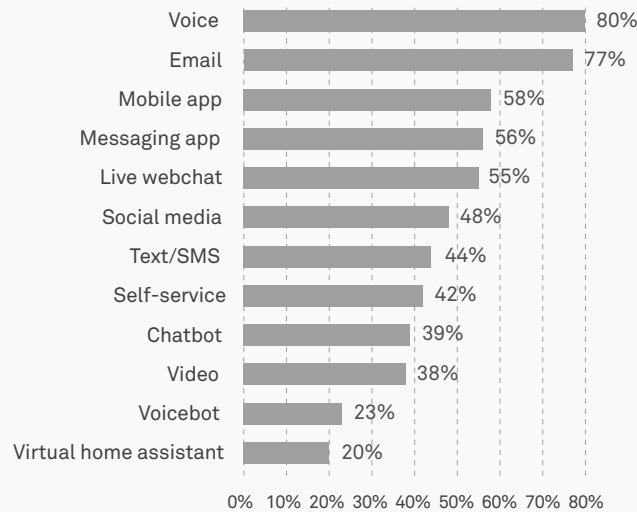
Latin America



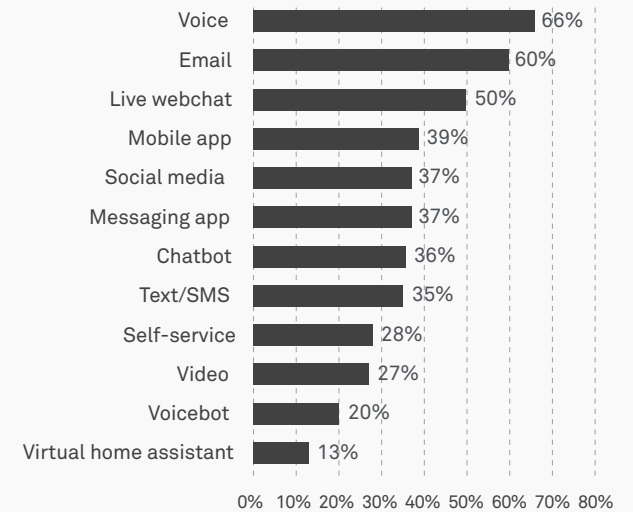
Europe



Middle East/Africa

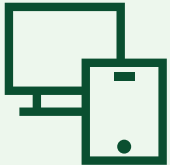


Asia Pacific

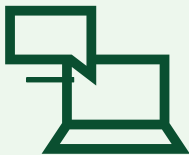


**1.6x**

growth in social and web messaging volume

**2x**

growth in voice and email volume

**2.2x**

growth in live webchat volume

**3.8x**

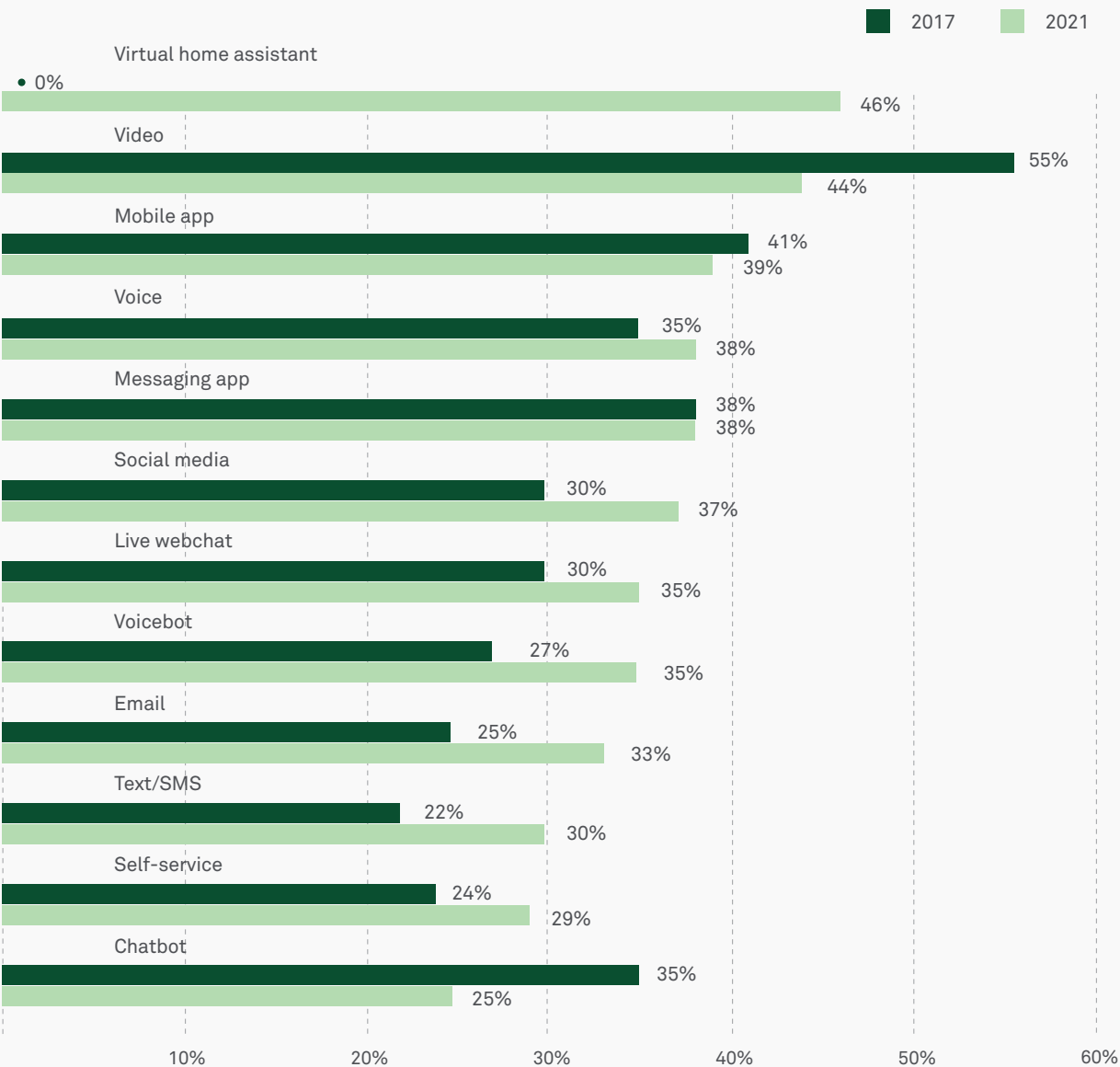
growth in SMS/MMS volume

Consumers turn up the (contact) volume

The shift to digital has increased transaction volumes across channels..

Genesys Cloud CX™ data confirms the growth in volume that companies are experiencing in their voice and digital channels. Comparing May through July 2020 with the same period in 2021, transaction volume doubled in voice, email and webchat. SMS/MMS volume almost quadrupled.

Consumers: Rate your overall satisfaction with each of the methods you use to interact with customer service (% selecting “highly effective”)

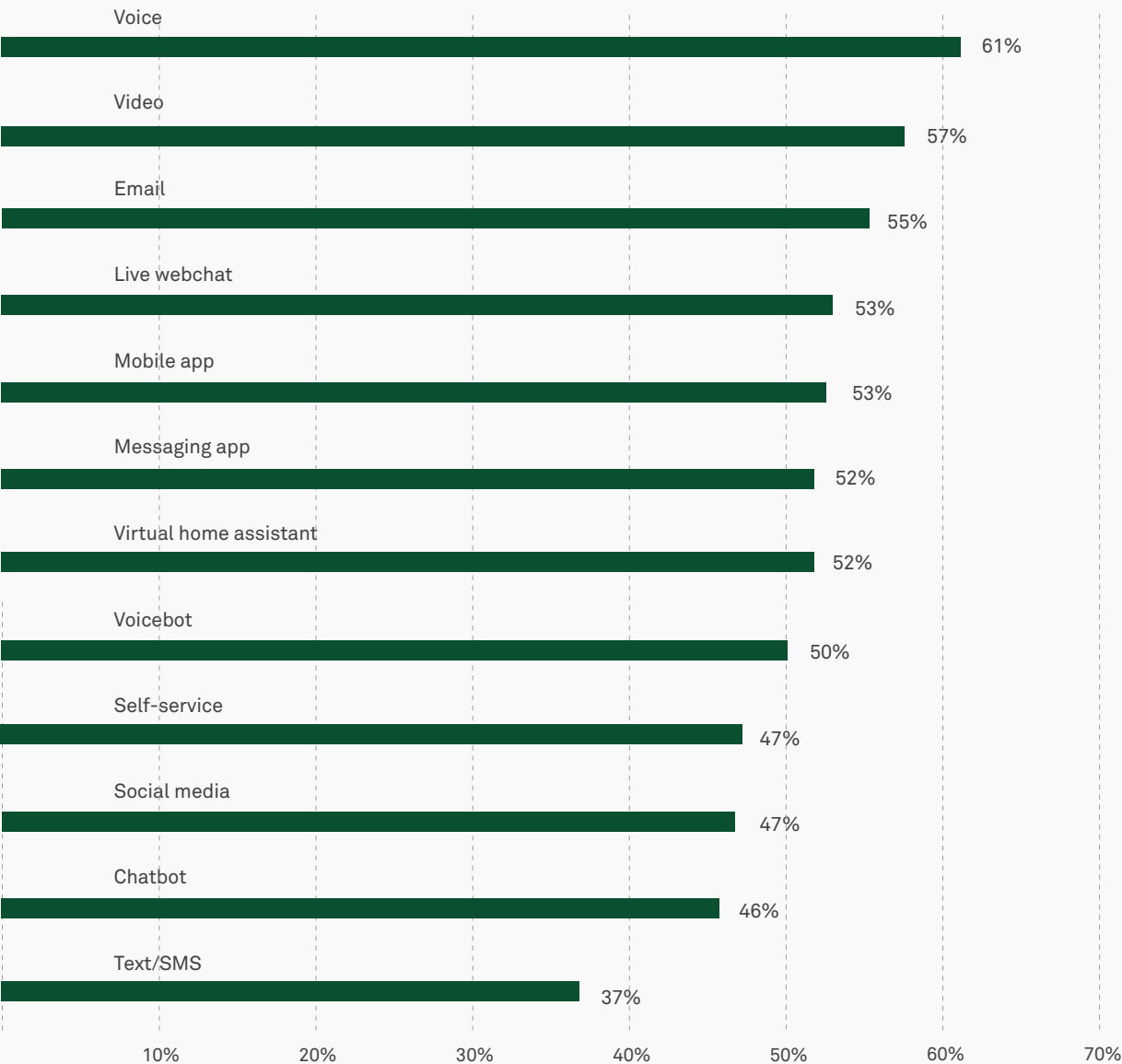


Trends in channel satisfaction

Consumers are more satisfied with webchat and email, less with chatbot experiences.

Consumer satisfaction with CX channels has improved in some areas since 2017, notably social media, live webchat, email and text/SMS. The channels with the highest satisfaction ratings overall are virtual home assistants (46% of users said they were highly satisfied), followed by video calling, mobile apps and voice. Despite significant advancements in technology and the increase in customer use, satisfaction with chatbots has declined. In 2017, 35% of consumers said they were highly satisfied with chatbots; in 2021, just 25% said the same.

CX leaders: How effective is your company in meeting customer expectations by channel? (% selecting “highly effective”)



CX leaders were more optimistic about the performance of their company’s channels, expressing the greatest confidence in their voice channel, video calling, email and webchat. Just one-third of CX leaders polled reported that their company’s chatbots are highly effective in meeting customer expectations.

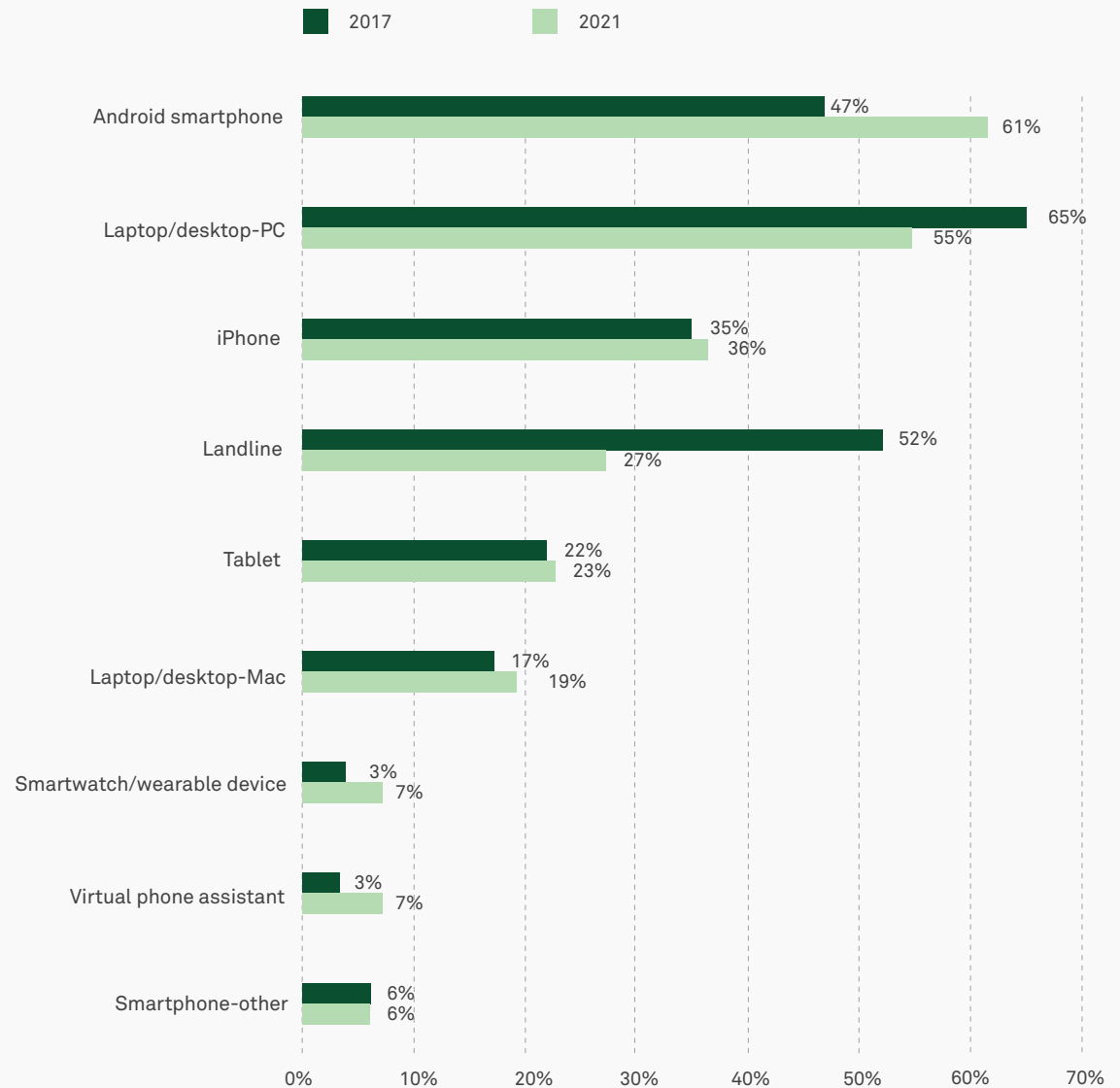
From desktop to mobile

The smartphone is the number one device for CX interactions..

Smartphones have overtaken laptops and PCs as the leading device for interacting with customer service globally. Some 97% of consumers have used either an Android device or iPhone to interact with a business. In Latin America and the Middle East/Africa, 80% or more of consumer respondents use Android smartphones.

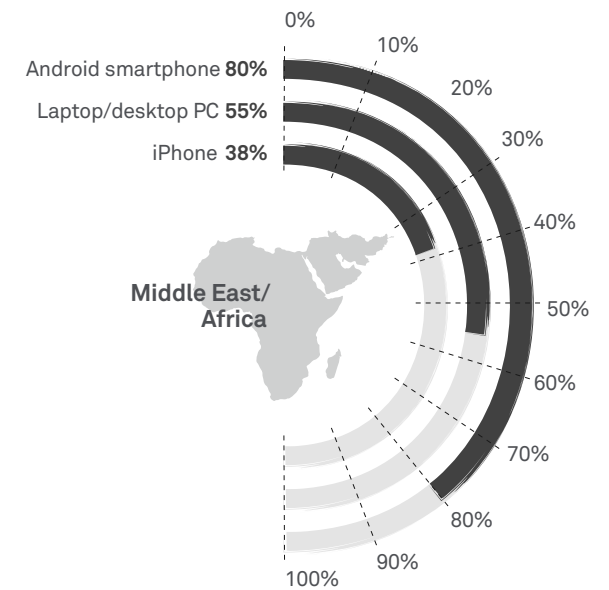
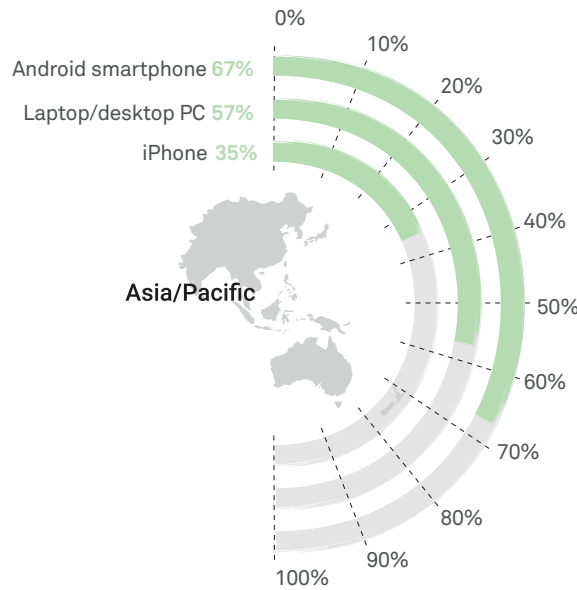
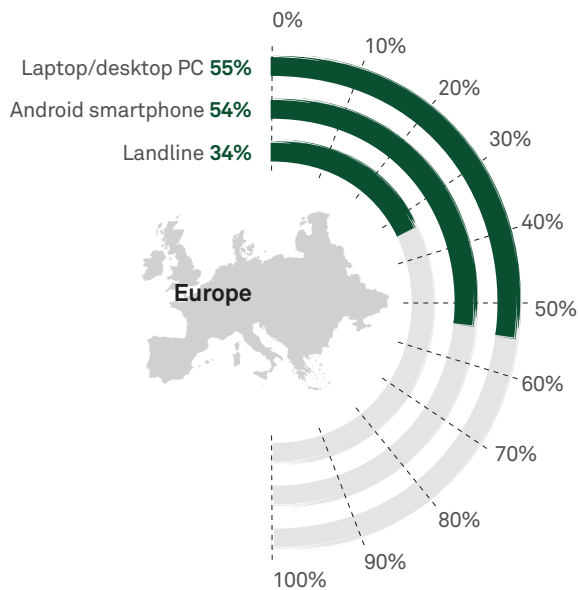
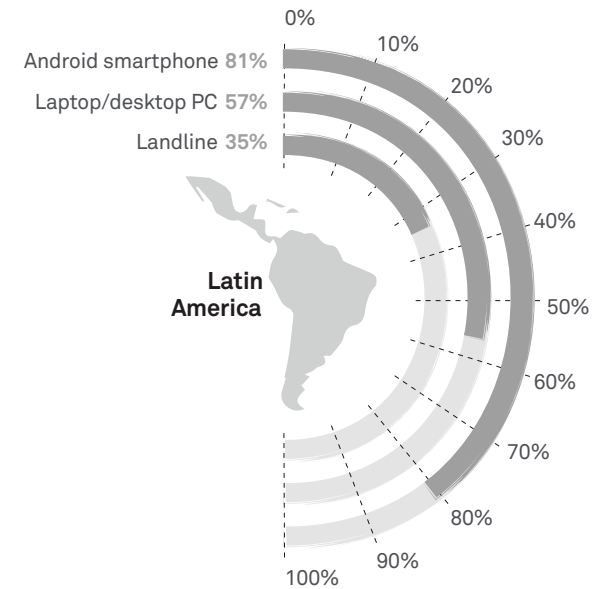
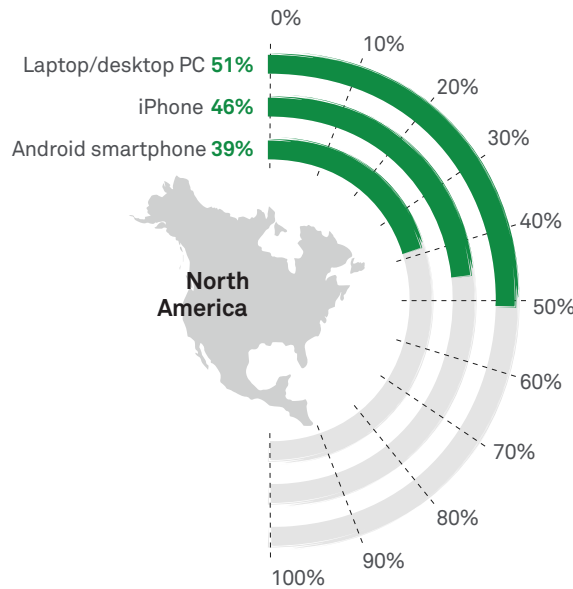
In contrast, 55% of consumers used a laptop or PC. The greatest drop overall was in landline use. In 2017, more than half of consumers used a landline for CX interactions compared with just one-quarter in 2021.

Consumers: Rate your overall satisfaction with each of the methods you use to interact with customer service? (% selecting “highly effective”)



Top Three Devices by Region

(% of consumers using that device twice to interact with customer service, 2021)

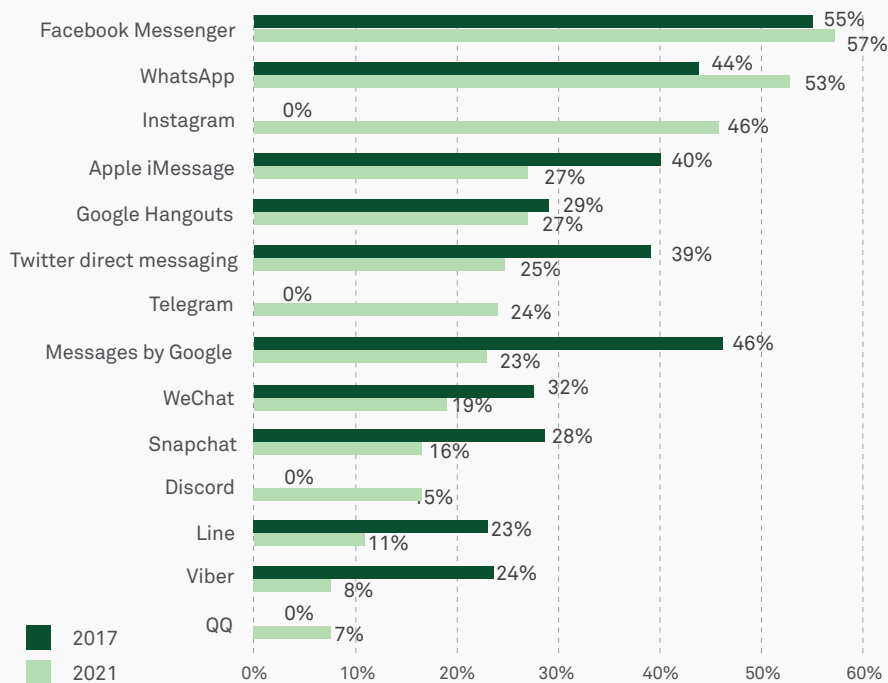


The rise and fall of social and messaging platforms

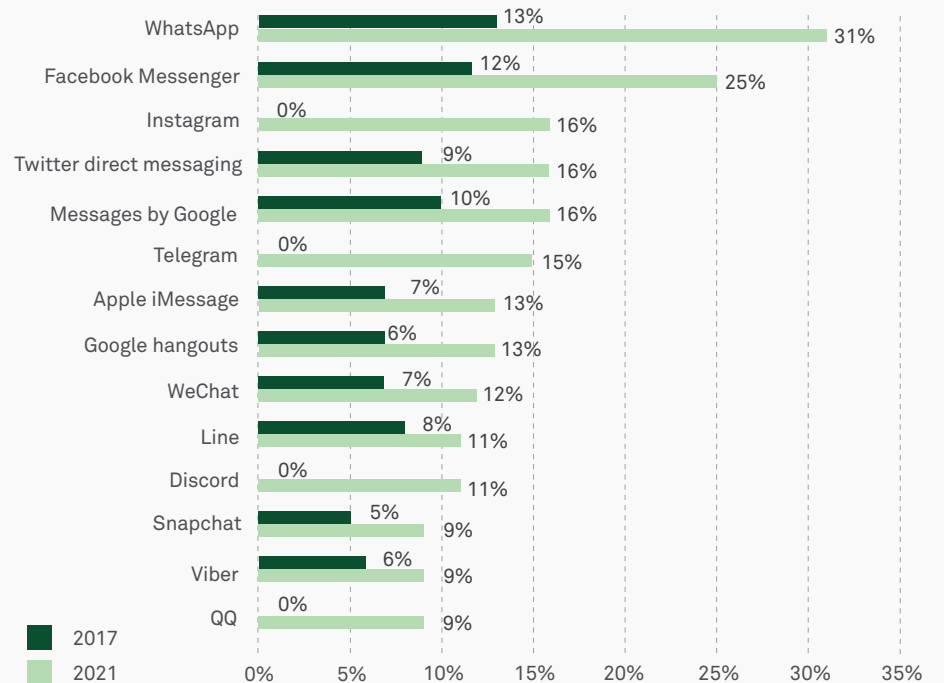
Facebook Messenger and WhatsApp are the leading messaging platforms globally.

More than half of surveyed CX leaders said their company uses Facebook Messenger or WhatsApp for customer service. Instagram, the third most frequently offered messaging platform, wasn't even listed as an option in 2017. Apple iMessage, Twitter direct messaging and Messages by Google have all declined and are now offered by about a quarter of companies. Consumers are also using WhatsApp and Facebook Messenger more than other platforms.

CX leaders: What social media platforms does your company use for customer service?



Consumers: Which messaging apps do you use for customer service interactions?



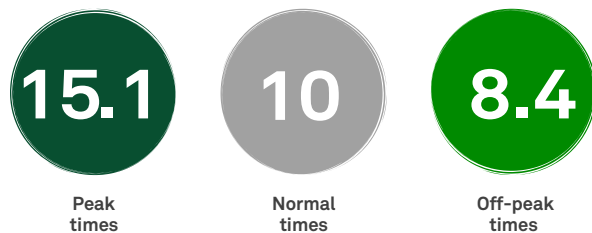
Reducing the call queue

Consumers are spending longer on hold than they consider acceptable.

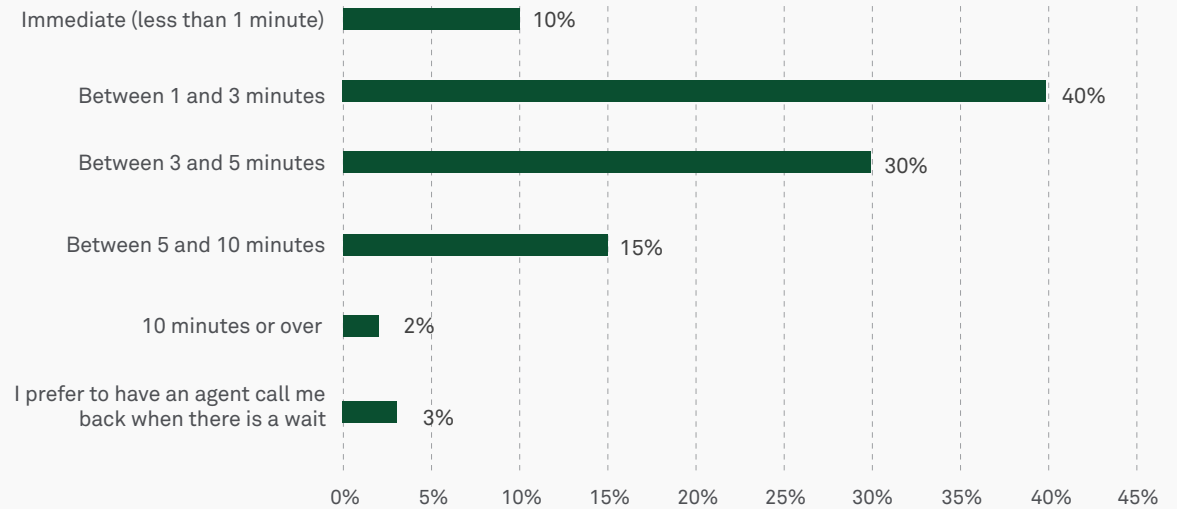
Consumer satisfaction with live agents increased between 2017 and 2021, but they still spend a lot of time in the queue before talking to someone. Only 20% of consumers consider it acceptable to wait longer than five minutes. For companies, though, that's routine.

CX leaders report an average wait time during normal hours of 10 minutes, falling to just 8.4 minutes in off-peak hours. While these numbers seem high, the survey data showed that the responses were relatively consistent across geographies and industries.

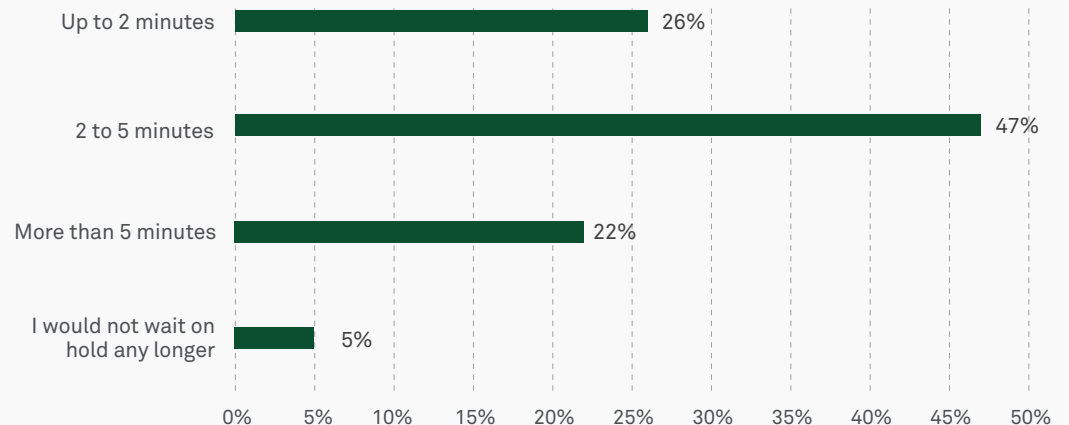
CX leaders: How many minutes do your customers typically wait in queue before speaking to an agent? (mean of all responses)



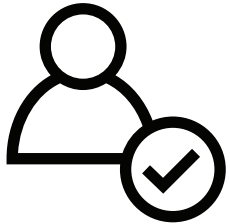
Consumers: What is an acceptable length of time to wait to speak to an agent?



Consumers: How many extra minutes would you wait to speak to a more knowledgeable agent?



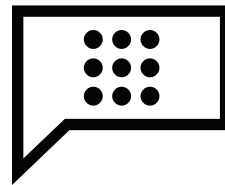
Key Takeaways



Kill the queue:

No one wants to waste time on hold. Along with the standard messages pointing customers to self-serve on their website, companies can use these tools to reduce call waiting times or extend the customer's willingness to wait:

- AI-powered voicebots to improve self-service
- Predictive routing to better match agents and customers, shortening resolution time
- Tailored in-queue messaging that shows you understand the customer's intent and plan to route them to a specialist representative
- Improved forecasting and scheduling to better manage spikes in volume



Banish bad bots

Consumers are interacting more with chatbots for customer service than in the past, but the experience is less rewarding. And, according to this research, it doesn't appear to substantially improve FCR.

To further enhance the customer experience, conversational bots can use AI to gather intent and streamline CX processes. This can include leveraging the customer's profile and prefilling forms or transferring data — demonstrating a level of understanding and relevance as the bot enters a conversation. Instead of starting with “How may I help you?” start with “I see you got an error on the previous page. Would you like assistance with that?”



“
Now, we usually know why the customer is calling and connect them faster to the agent with the best skills.

Brice-Willys Tebiro,
Innovation and Improvement
Manager, Carglass

Case study

Using customer experience as a growth driver

Headquartered in Cologne with more than 345 sites and 240 mobile units across the country, Carglass Germany specializes in vehicle glass repair and replacement. A central contact center is at the heart of the business, supporting more than 50 languages and handling 1.2 million calls, 50,000 emails, 4,000 chat messages and 3,000 outbound contacts a year.

“We wanted to transform from a cost center to an experience center as a key driver for profitable growth,” said Brice-Willys Tebiro, Innovation and Improvement Manager at Carglass. “That meant clearing away a jungle of legacy apps and systems. That way, our advisors wouldn’t have to keep screen-jumping, closing down pop-up windows or asking customers to repeat information. We also needed better clarity around reporting and customer journeys.”

Using cloud-based digital experience technology, 160 advisors now work with maximum efficiency, taking calls and booking appointments, or handling requests from large insurance companies and fleet agency contracts. In addition, Carglass has seen a sizeable reduction in what it refers to as “red calls,” repeat contacts from customers seeking general information or checking on orders.

“Now, we usually know why the customer is calling and connect them faster to the agent with the best skills,” added Tebiro. “That varies between appointment scheduling for straightforward chip repairs to more complex requests to look up specific vehicle models and arrange correct fitting and windscreen replacement.”

Smarter IVR, routing and skills-matching has enabled Carglass to raise service levels. This has resulted in 3.6% fewer abandoned calls and an 8.5-second reduction in average handle time. Between these and other gains, the move to the cloud has contributed to a 1.5% improvement in conversion rates — the efficiency from first contact to receipt of payment. For a high-volume business like Carglass, that represents a significant financial gain.



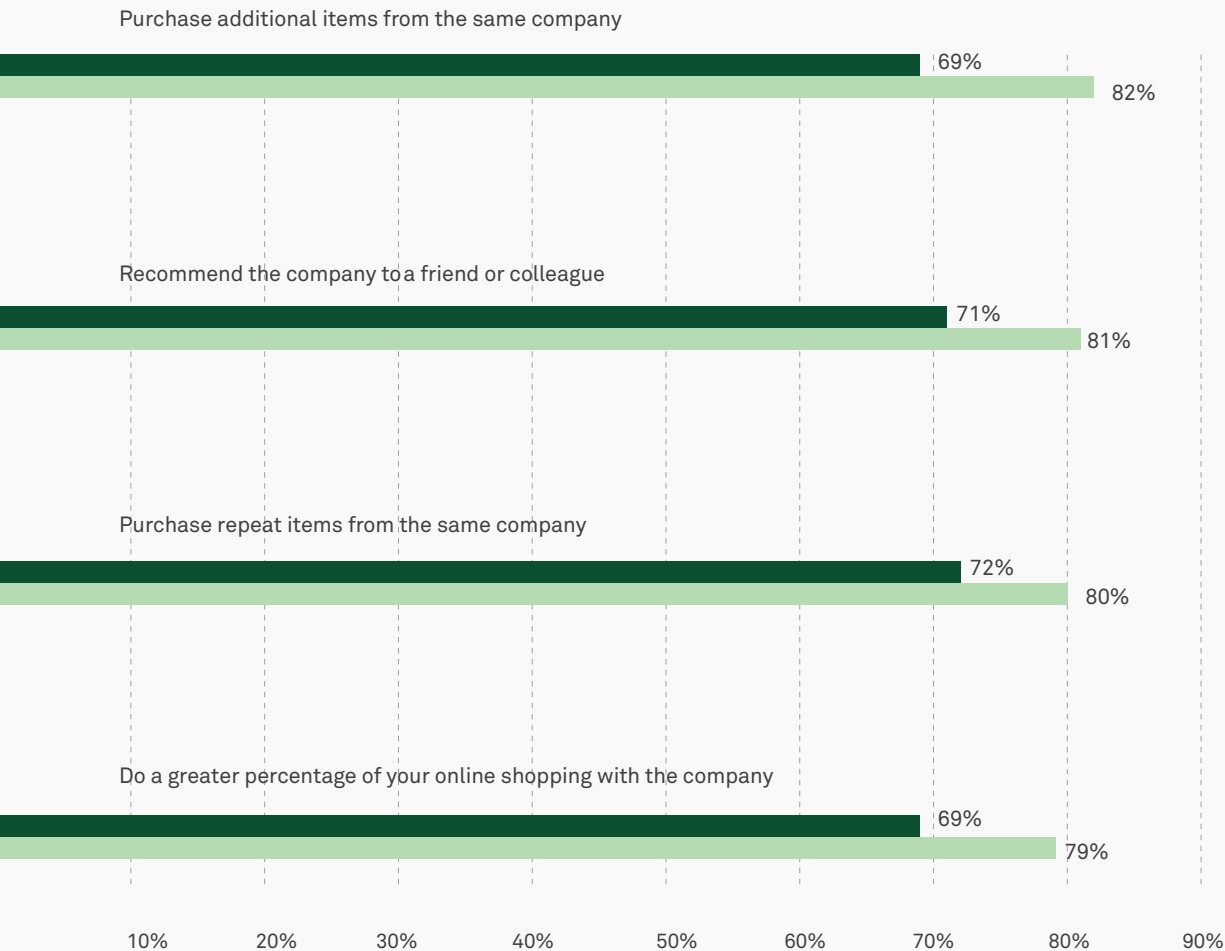
04 personalisation, authenticity and the rise of consumer advocacy

The survey data shows that efforts to personalize are paying off. Consistently personalised experiences increasingly drive consumer spending and peer advocacy. And most companies strive to meet expectations and deliver customised, responsive journeys. Consumers are turning to social media to praise great service rather than voice their frustrations. Compared to 2017, social media users are now more likely to give positive than negative reviews about their customer experiences.

In today's data-driven consumer landscape, privacy and data protection are at the top of the agenda for both individuals and companies. When asked which social, ethical or environmental issues the consumer respondents and the polled CX leaders' company cares about most, both groups listed privacy and data protection as the most important theme. Respecting and protecting customer data is table stakes for businesses worldwide. Misuse, data breaches or compliance failures would create a massive decline in brand loyalty and trust.

Consumers: If a company assured you a personalised experience in every transaction, how likely would you be to take these actions?

2017 2021



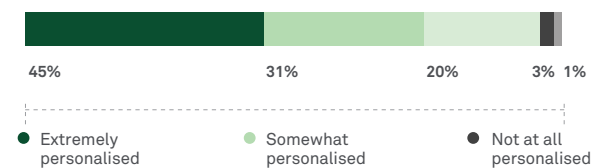
The ROI on personalisation

personalisation is a powerful driver of share of wallet and customer advocacy.

The ROI is growing for companies devoting time, effort and resources into creating meaningful and customised experiences. In 2021, consumers said they're more likely to purchase additional items, make recommendations to friends and colleagues, and devote a greater share of wallet to companies that consistently personalize their experiences than they were in 2017.

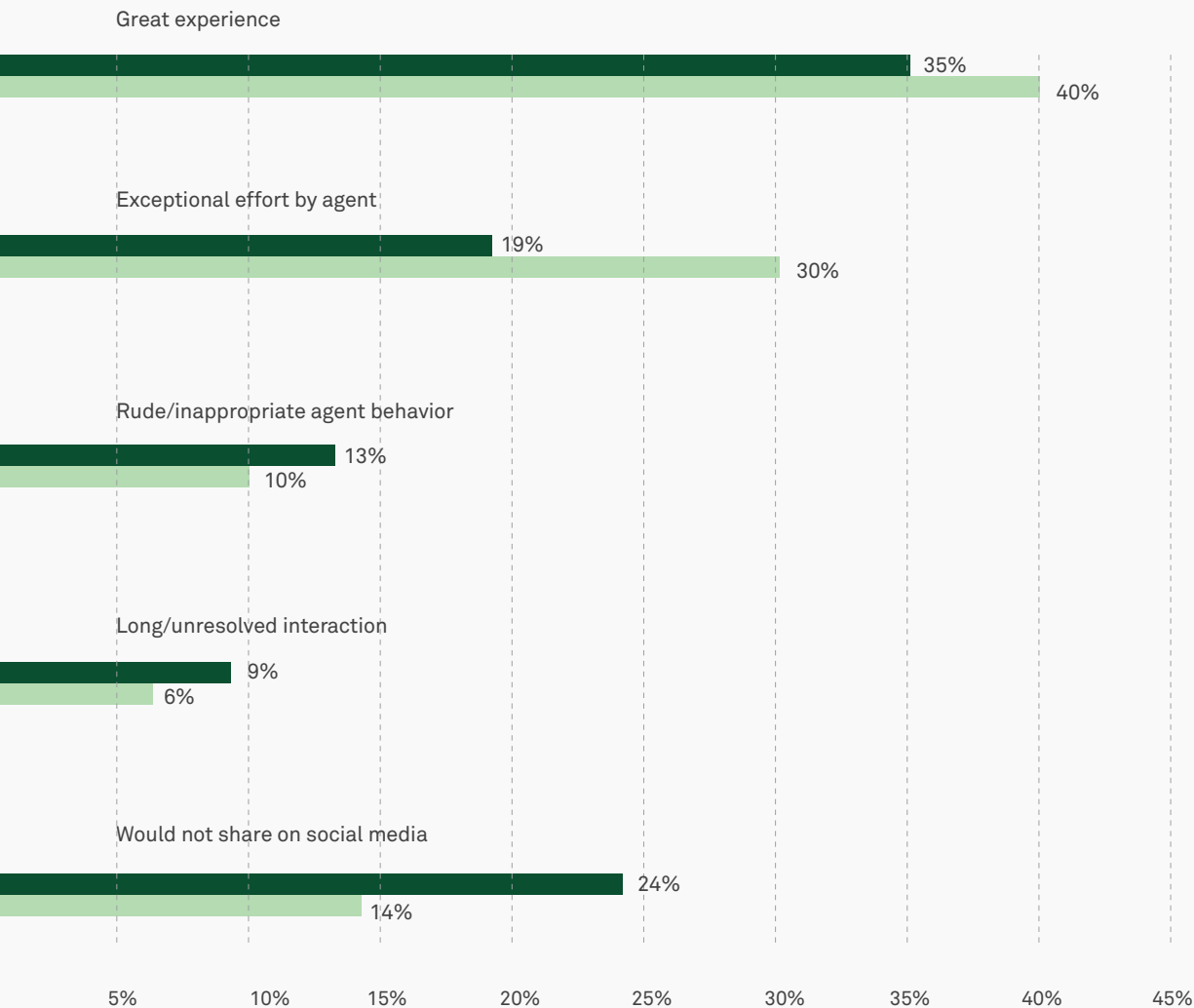
Some 45% of CX leaders said their companies offer customers an extremely personalised experience. At one-quarter of surveyed companies, the customer experience is still "somewhat" or "not at all" personalised.

CX leaders: To what degree are you delivering a personalised service to your customers?



Consumers: Which service experiences would you be likely to share on social media?

2017 2021



Sharing positive experiences

Positive advocacy outweighs complaints on social media.

Consumers are more likely to use social media to compliment great experiences than to complain about bad service. They've become even stronger advocates for companies that provide positive experiences and may even praise exceptional effort an agent makes. Consumers polled in 2021 are less likely to call out poor customer experiences than those surveyed in 2017.

Attitudes toward data sharing

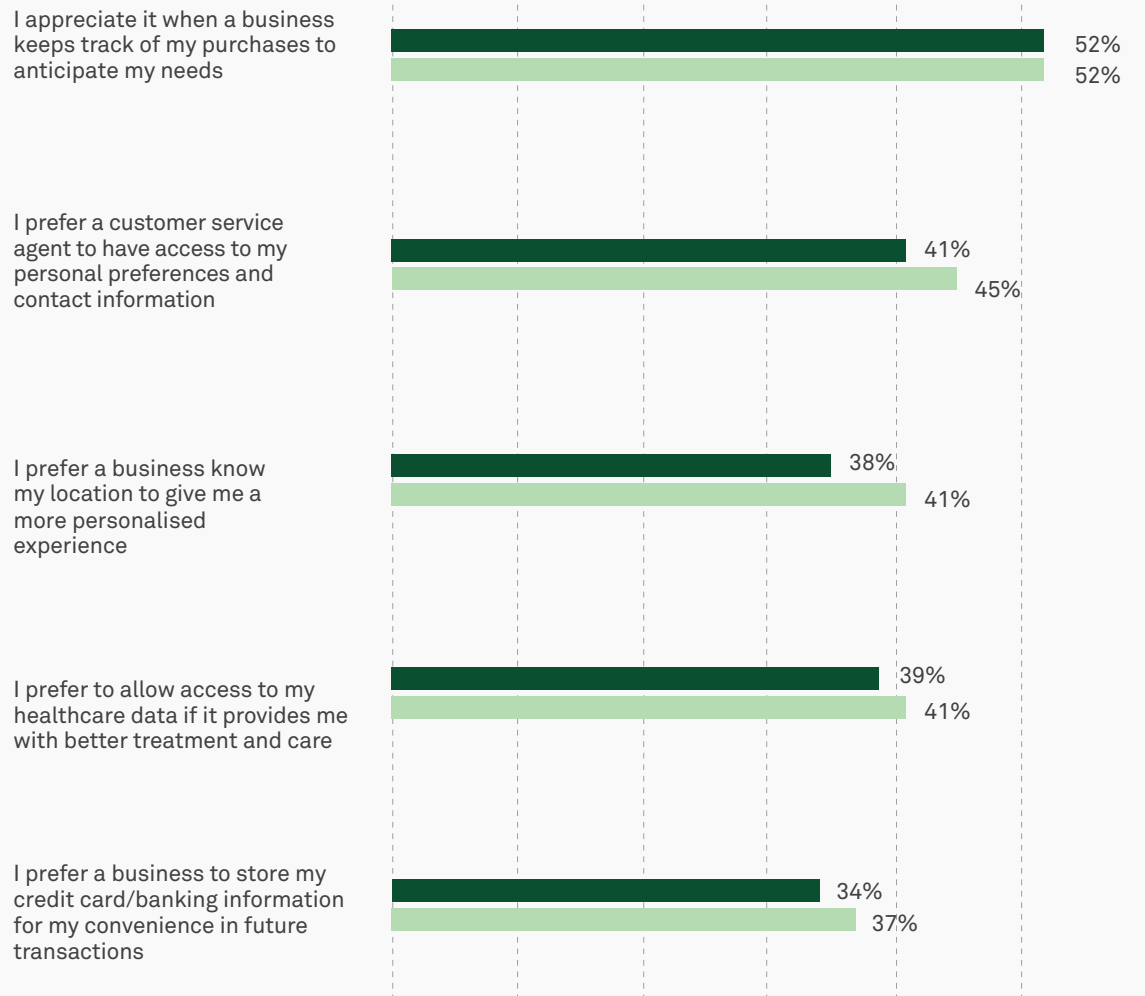
Consumers are slowly gaining confidence in data-driven personalisation.

Consumer attitudes towards privacy remain largely unchanged since 2017, although consumers are slowly becoming more comfortable with companies having access to and using their purchase history or location to provide personalisation.

More than half of consumers appreciate companies retaining their purchase history for future personalisation. Nearly half appreciate an agent having access to their personal preferences. Consumers are less comfortable with their credit card information being retained.

Consumers: To what extent do you agree with the following statements regarding personalisation and data privacy? (% agree or strongly agree)

2017 2021

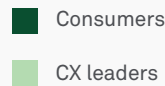


Shared human values

Consumer data protection is table stakes for businesses today.

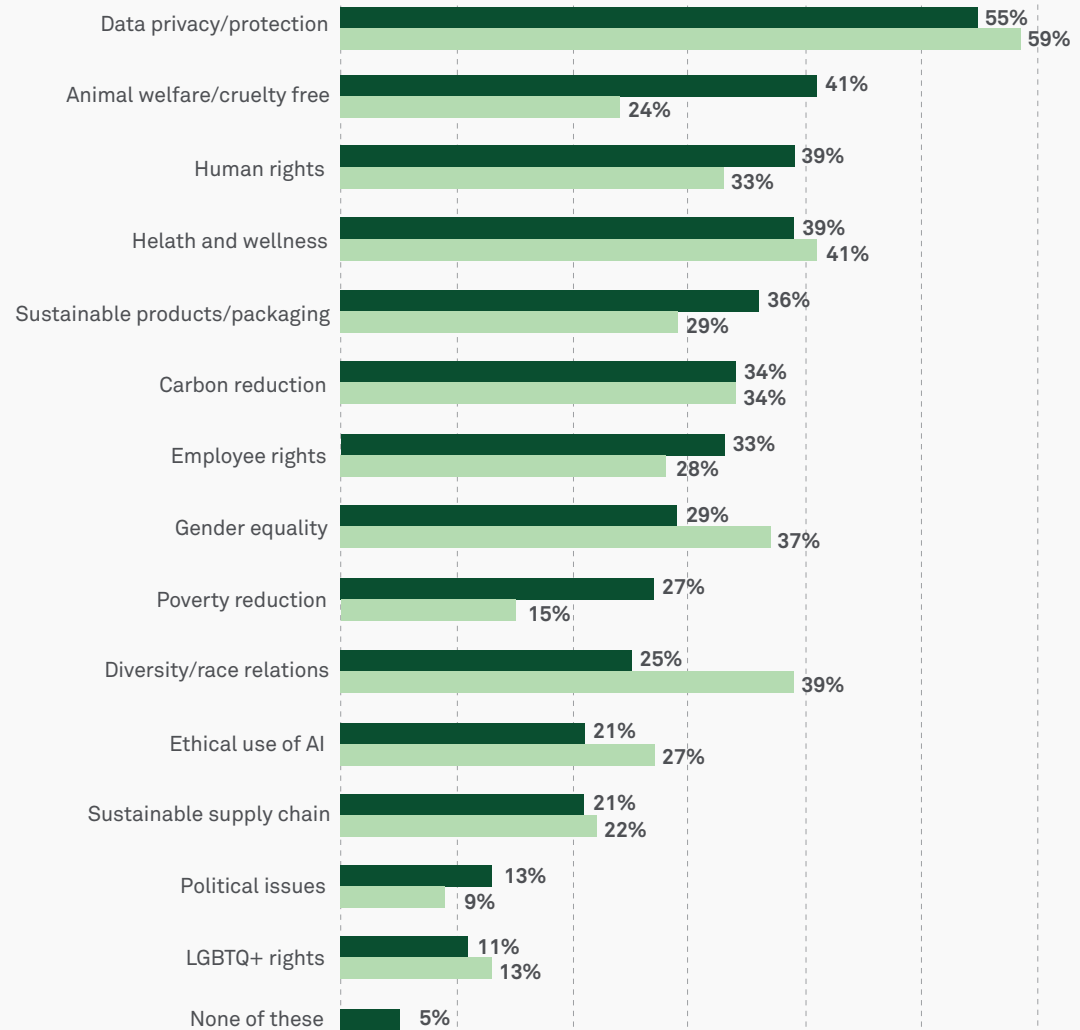
Respect for their data privacy and personal information is the number one social, ethical or environmental issue consumers worldwide expect companies to care about and advocate for. This was consistent across all geographies and age groups. Other issues of prime importance to consumers include animal welfare, human rights, health and wellness, and sustainable products.

Businesses are aligned on data privacy and protection. Almost 60% of CX leaders said this is a topic their company prioritises and evangelises. Other key social, ethical and environmental issues that businesses focus on include health and wellness, diversity and gender equality. There's an opportunity for businesses to show greater care and concern for the natural world.

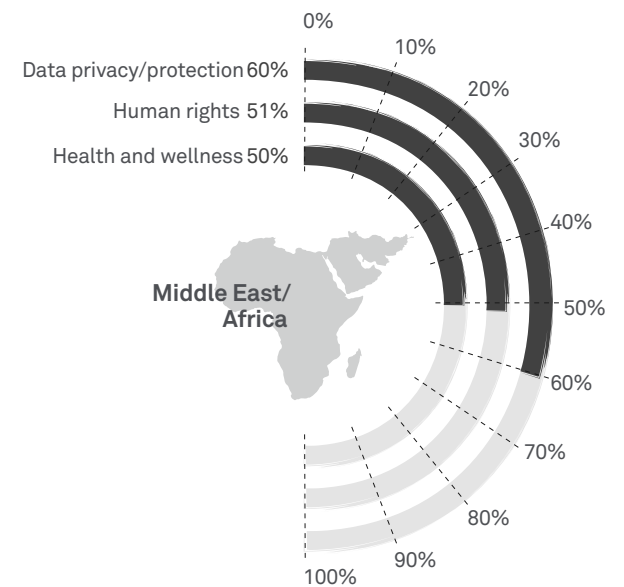
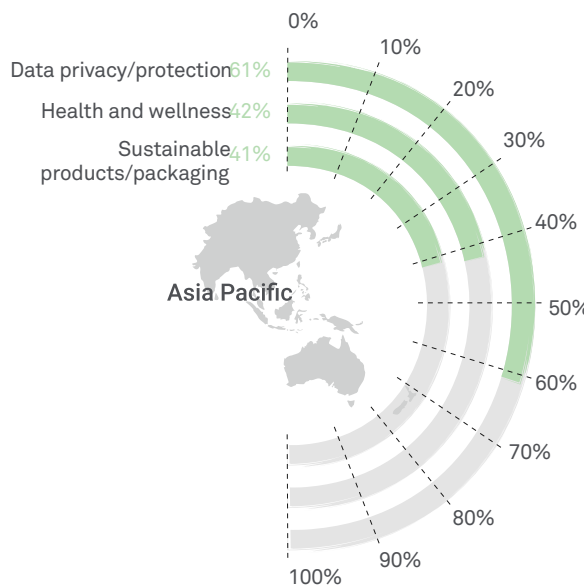
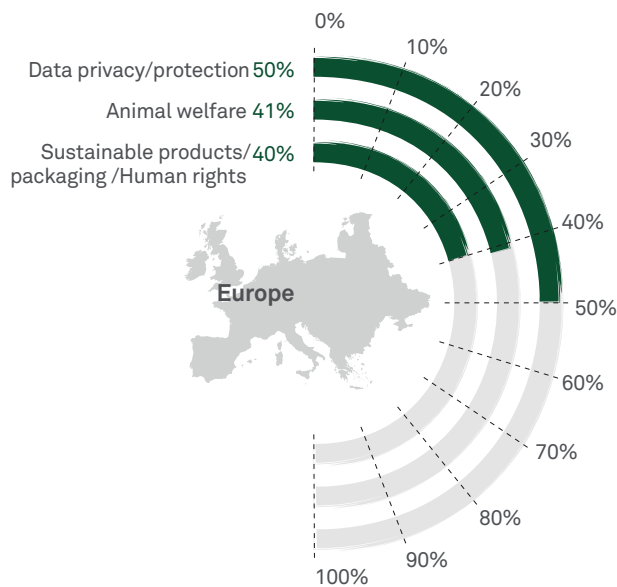
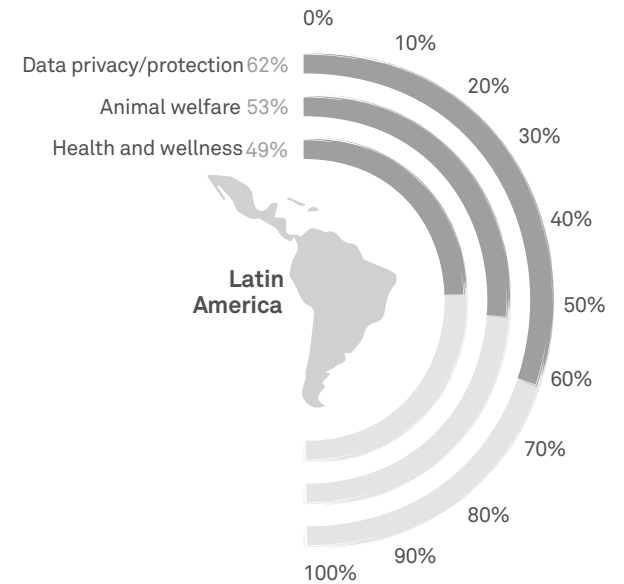
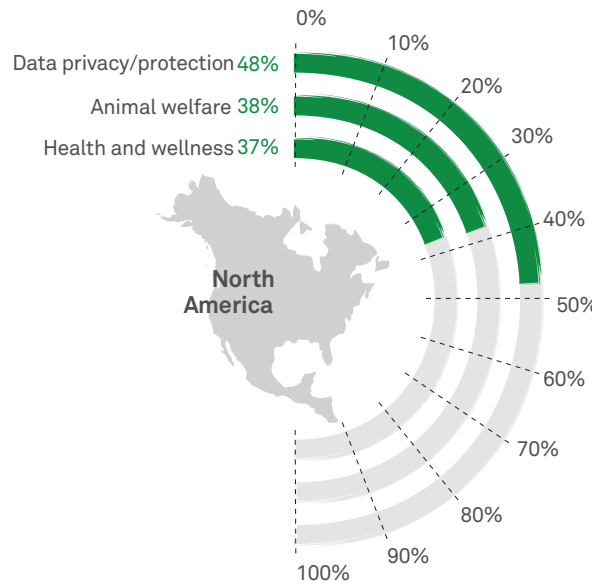


Consumers: What social, ethical or environmental issues do you care about most and expect companies to care about and advocate for?

CX leaders: What issues does your company prioritise/speak out about actively?

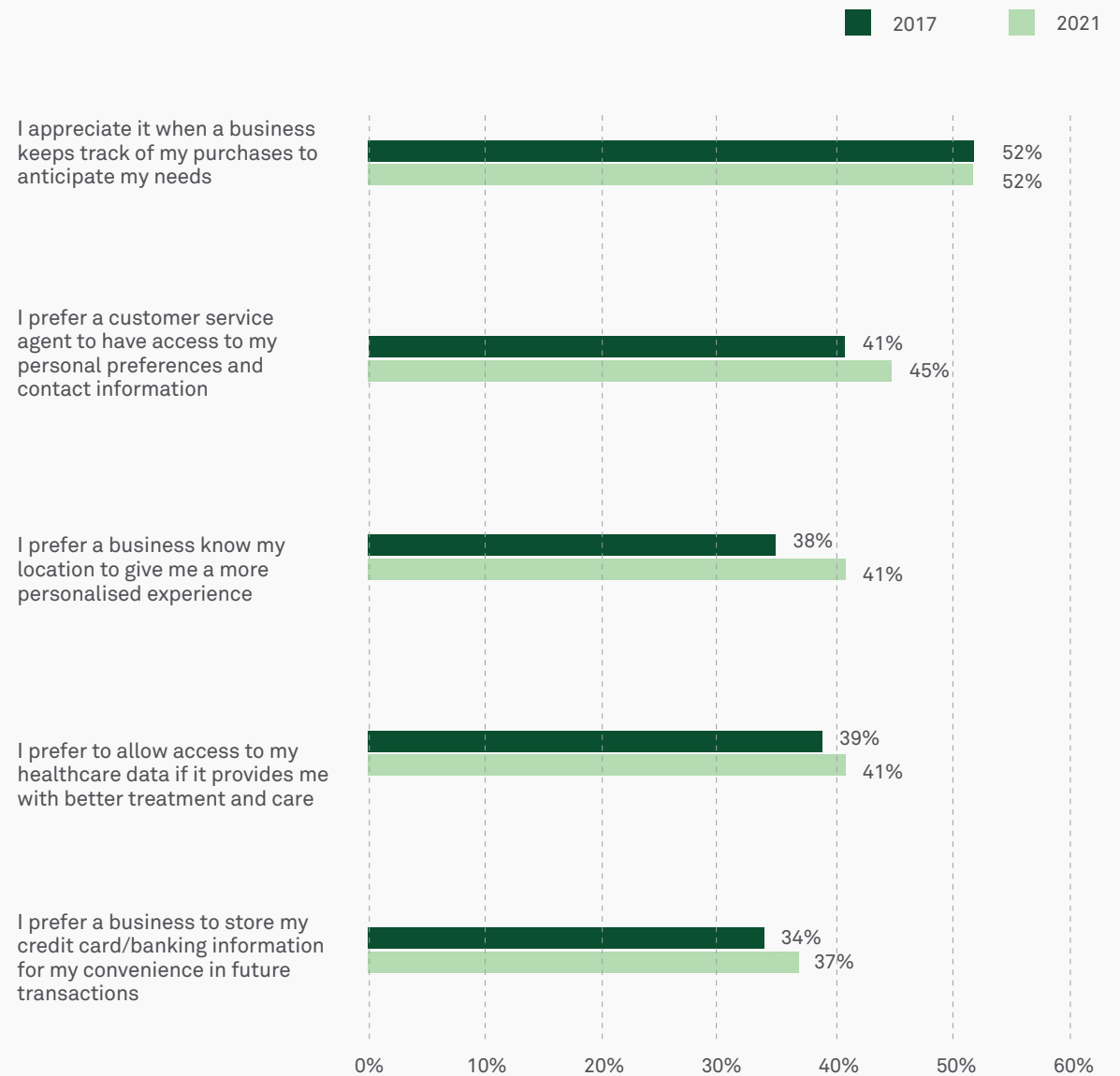


Top three consumer issues by region



A company’s ethical and sustainable agenda will increasingly influence customer purchasing. Almost half of younger consumers — those age 18 to 34 — said they prefer to buy from companies that are aligned with their values. And those consumers are willing to pay more. A quarter will only buy from those companies and will also pay more. The purchasing choices of older consumers are less likely to be driven by their values.

Consumers: To what extent do you agree with the following statements regarding personalisation and data privacy? (% agree or strongly agree)

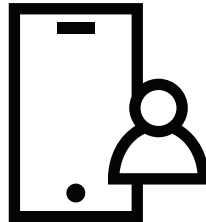


Key Takeaways



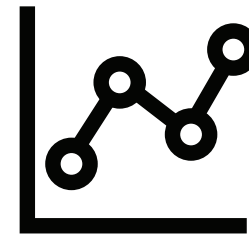
Show empathy through personalisation:

The best way for companies to provide empathetic customer experiences is to know their customers' expectations, needs and preferences. This requires improving listening channels, whether it's using digital engagement to understand intent, real-time sentiment analysis to adjust in the moment or AI across digital channels to gather insights. AI is similarly bolstering voice channels with natural language processing, speech to text, and sentiment analysis. Companies are rewarded for providing personalisation with greater loyalty, stronger advocacy and increased wallet share.



Take no chances with data:

Consumers are willing to share their data with companies if it leads to more empathetic, personalised and relevant experiences. Companies must actively communicate the steps they take to protect consumers' data, have strict data governance policies, and provide ongoing compliance training and monitoring. Other tools to build trust with customers include data consent and preference centers.



Drive a sustainable agenda:

Consumers want their purchasing to positively impact the social, ethical and environmental issues they care about. Three out of four Generation Z and millennial consumers are willing to pay more to purchase from a company with a sustainable agenda that aligns with their own. Data protection, animal welfare, health and human rights, and environmental protection are top concerns for consumers worldwide.



“
**In the call center world,
it’s all about average
handle time and first-call
resolution.**

Jörg Knoop,
Technology Digital Incubator,
Vodafone GmbH

Case study

AI-based chatbots answer the messaging trend

One of Germany’s largest telecommunications companies, Vodafone prides itself on high-quality customer service. One challenge was to standardise messaging services, ensuring customers always got fast answers and information. Rather than siloed pools of agents who handled WhatsApp, Apple Business Chat and SMS contacts, Vodafone wanted to simplify and consolidate management through one central team of messaging specialists.

“In the call center world, it’s all about average handle time and first-call resolution,” said Jörg Knoop, Technology Digital Incubator for Vodafone GmbH.

“Moving to a digital messaging center is a completely different mindset. Suddenly, agents can find themselves in a quiet environment receiving messages, while supervisors struggle to get the insight and control they had with voice communications.”

To overcome these challenges, Vodafone launched the intelligent chatbot, TOBi. Using AI, TOBi gives customers a personalised, around-

the-clock concierge. If the bot cannot resolve the inquiry, the conversation is quickly routed to a human agent, with everything managed via a single screen. “It wasn’t a multi-month project costing a small fortune,” added Knoop. “You just need to plug APIs together. It was done in a matter of days.”

Now, TOBi fields 100% of all messaging conversations and understands more than 230 customer intents. First-contact success rates increased from 16% on launch to 44%. With 1,500 agents already dedicated to messaging, Vodafone is strongly positioned at the forefront of digital customer experience.



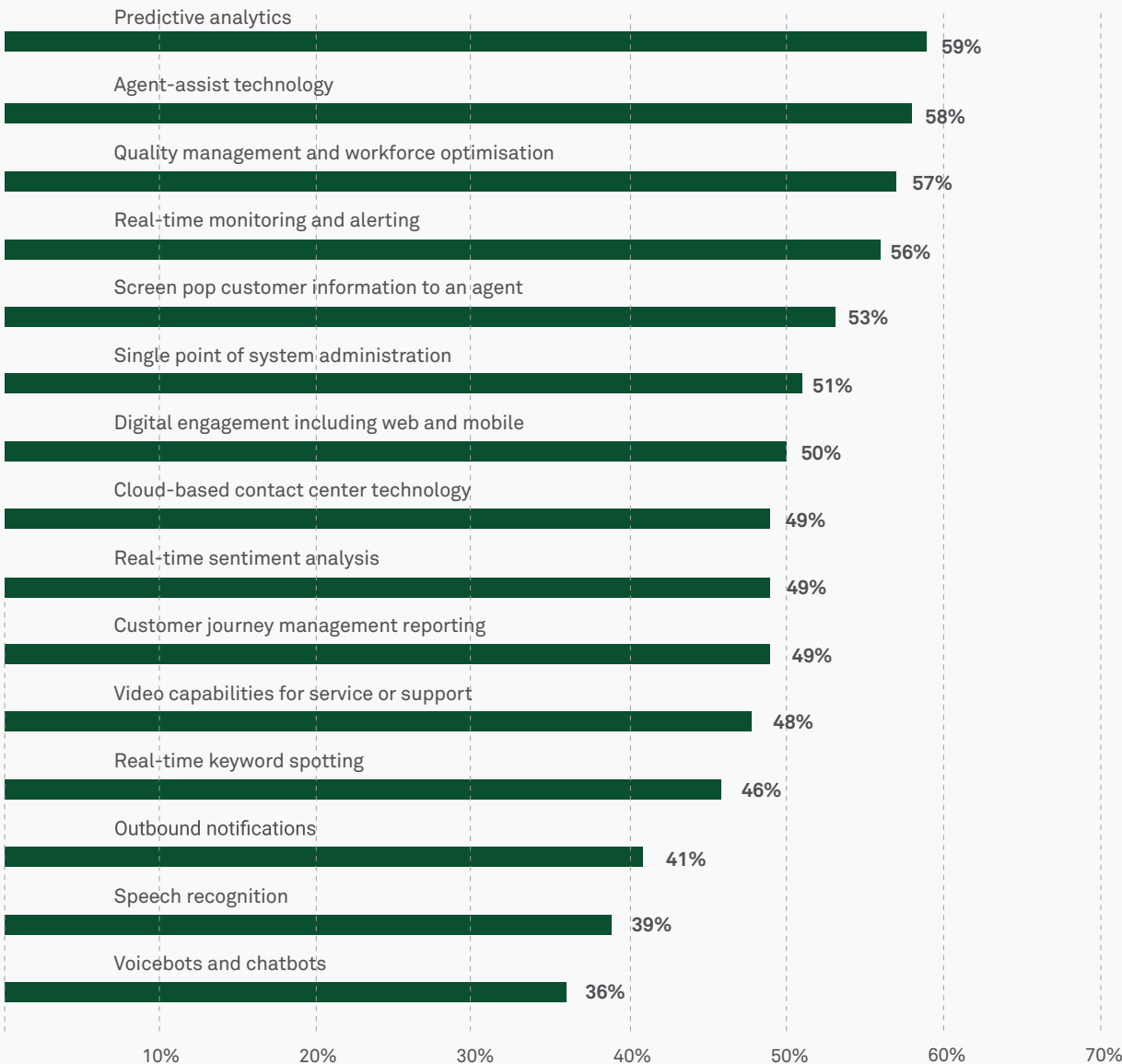
05 Emerging technologies in CX

The ability to rapidly introduce new technologies, particularly with the rise of cloud-based platforms, has turned CX into an innovation hub at organisations worldwide. Survey respondents are finding value in a wide range of new features and capabilities — quickly deploying new solutions such as AI; internet of things (IoT) or detailed analytics; and measuring their impact on customer satisfaction; employee engagement and operational effectiveness metrics. They're also exploring new features across the length of the customer journey and finding the greatest value in tools that drive real-time insights and performance improvements.

Aligning more closely with consumer lifestyles and home environment, smart home assistants are becoming increasingly popular. While just one in 10 consumers has used a virtual home assistant to interact with customer service, those who have reported high levels of satisfaction. CX leaders are paying attention; 30% already provide integration with these home devices and a further 29% have plans in place.

CX leaders are also focused on how well new technologies can deliver results. For example, they said chatbots are an effective way for customers to begin self-service interactions, but less so to complete them. This might be because of insufficient training data, lack of language support across geographies or poorly defined intents. There are significant opportunities for businesses to meaningfully reduce customer effort.

CX leaders: How valuable are each of the following features for managing your customer service/support need? (% selecting “extremely valuable”)



Orchestrating the customer journey

Predictive analytics will be the most powerful feature for enhancing CX.

CX leaders are exploring a range of new technologies to better orchestrate the customer experience. Data and insights are a major theme in the features that businesses think will be most valuable for improving CX. Some 59% of executive survey respondents consider predictive analytics (to predict outcomes and prompt next-best actions in real time) and agent-assist technology to be “extremely valuable” features for managing the customer experience.

Three of the five most valuable new CX management features relate to supporting and improving the ability of agents to deliver great service. More than half of CX leaders consider agent-assistance technology, quality management and workforce optimisation tools, and screen pops as extremely valuable features for providing agents with customer information.

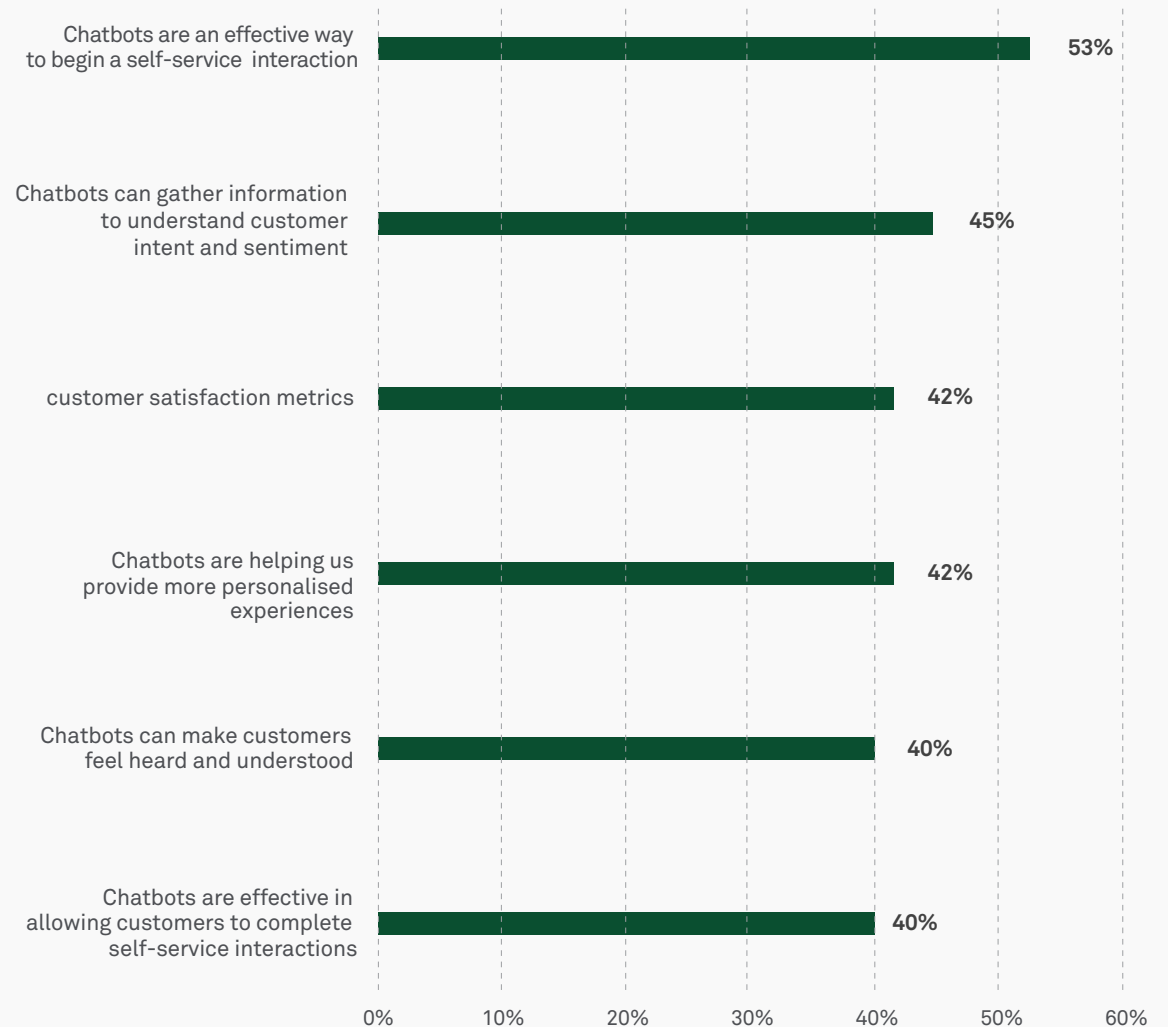
Chatbots and the path to self-service

Chatbots gather intent and allow consumers to initiate self-service..

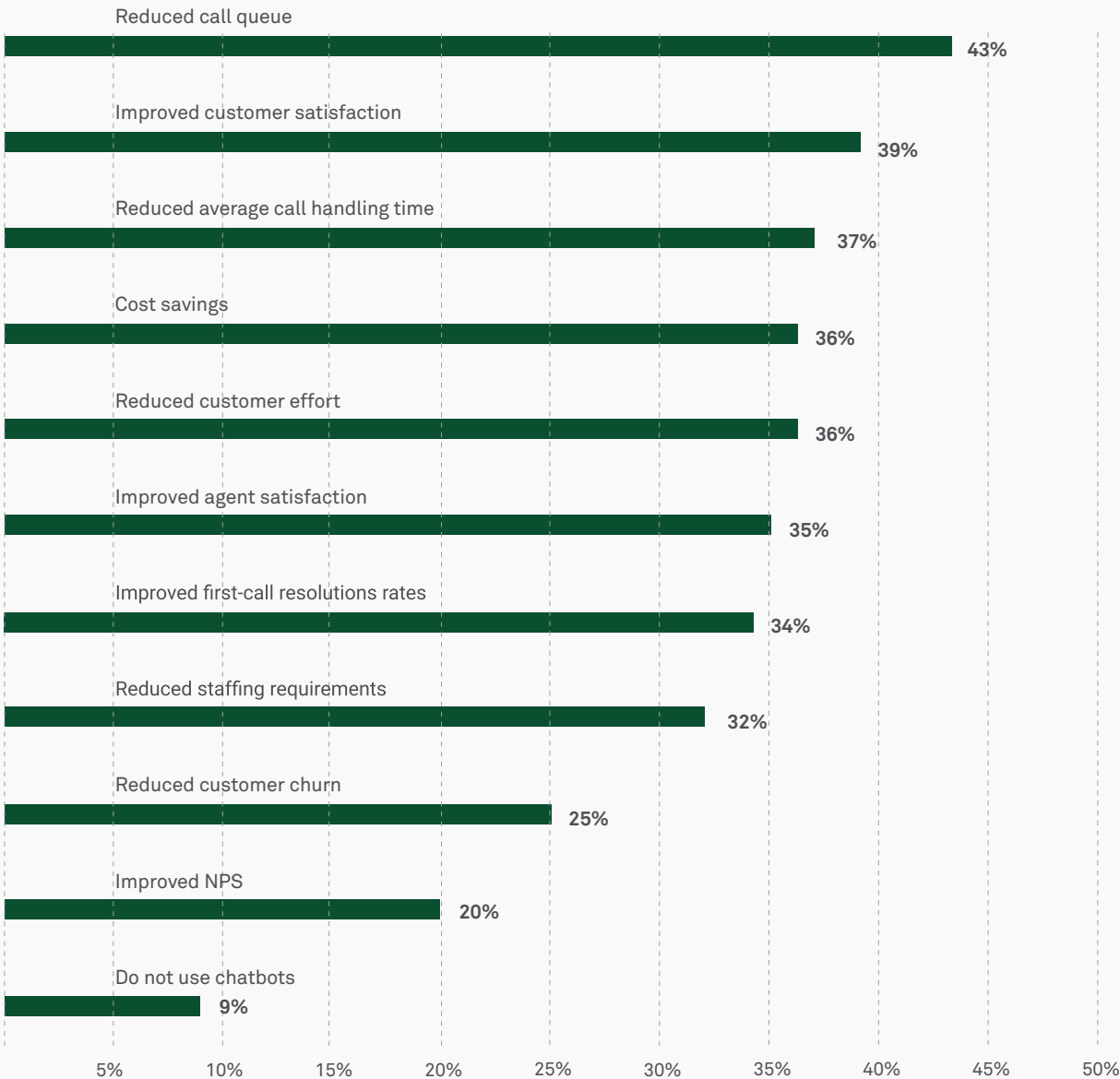
More than half of surveyed CX leaders said their chatbots are an effective way to begin a self-service interaction. But a smaller percentage agreed bots allow consumers to effectively complete those interactions.

The data shows that less than half of CX leaders consider chatbots to substantially help improve customer experience metrics, drive personalisation, or make customers feel heard and understood. Consumers agree: Just 25% are “highly satisfied” with their chatbot experiences.

CX leaders: To what extent do you agree with the following statements about chatbots? (% respondents “strongly agree”)



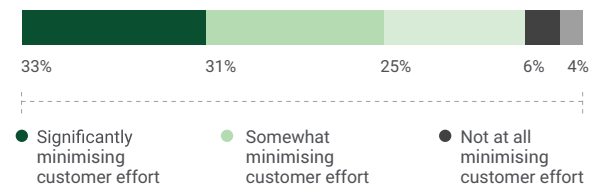
CX leaders: What are the greatest benefits of your current chatbot integration?



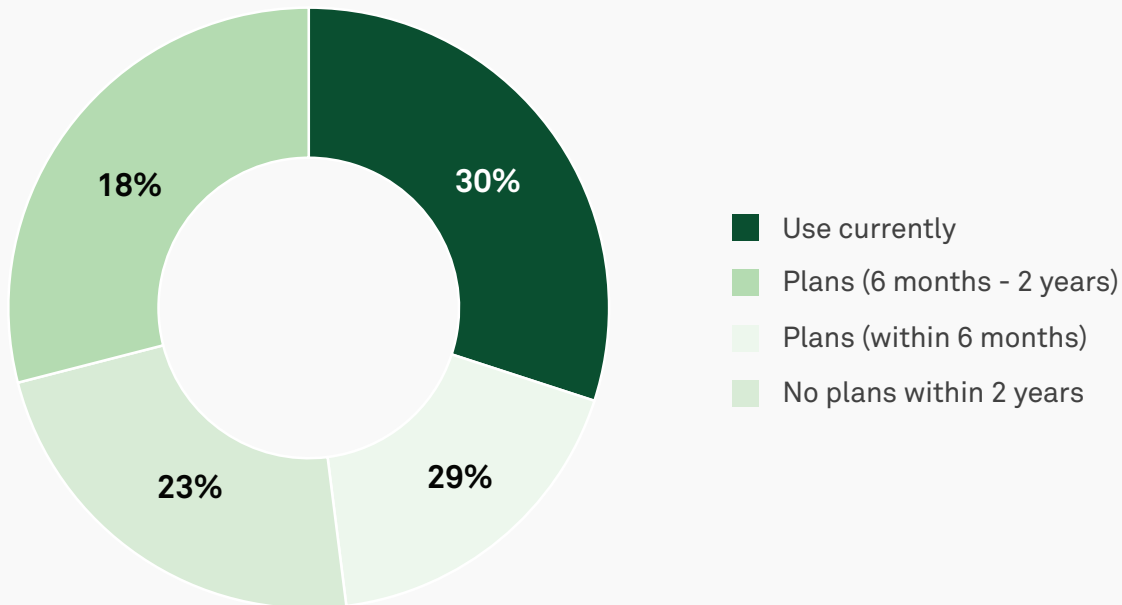
Despite the challenges, business are gaining a wide range of benefits from their chatbot deployments, including offloading calls, reducing average handle time, lowering costs and reducing customer effort. Just 15% said they have no plans to use chatbots at all.

The survey results show that while chatbots and self-service are a major trend in CX, there is still a significant opportunity to reduce customer effort. Some 35% of CX leaders says their business is minimising customer effort “somewhat” or “not at all.”

CX leaders: To what extent is your company minimising customer effort in service interactions?



CX leaders: Does your company use virtual home assistants (Amazon Alexa, Google Nest) for customer interactions?



Virtual home assistants

Consumers are satisfied with CX and virtual home assistants..

Virtual home assistants from Amazon and Google were new to the market and not yet a channel for CX integration during the 2017 research. In 2021, 12% of consumers worldwide reported having used a virtual home assistant to interact with customer service, of which almost half were “extremely satisfied.”

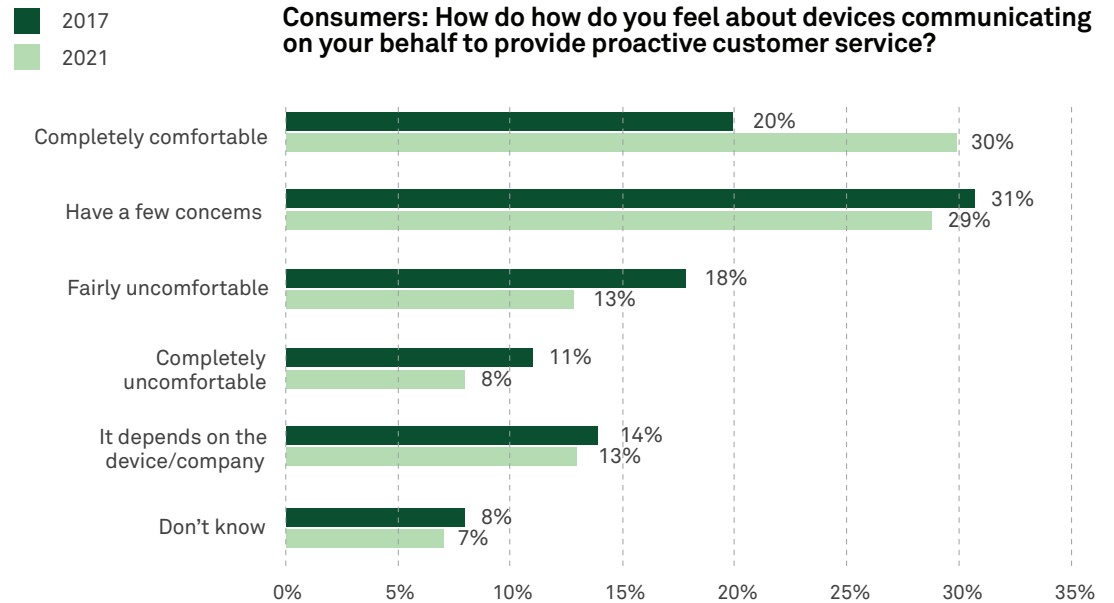
One-third of business respondents said their companies offer CX through virtual home assistants; it’s also reported to be one of the most effective channels in satisfying customer expectations. Expect to see virtual home assistants gain popularity as more companies integrate with them as CX channels.

IoT deployments slow

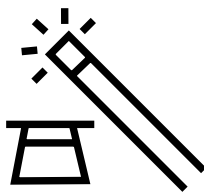
Many CX-driven IoT projects have stayed in the planning phase.

Many organisations are developing sensors, devices or other technologies that can communicate independently with customer support. However, deployment of these devices has been slower than was anticipated in 2017.

A quarter of CX leaders said their organisations have implemented IoT capabilities for CX, and an additional one-third have developments in progress. Consumers, increasingly familiar with smart technology, including devices and appliances, have grown in confidence about IoT technology communicating autonomously on their behalf. Some 30% are “completely comfortable” with companies using IoT devices to provide proactive customer service — up from 20% in 2017.



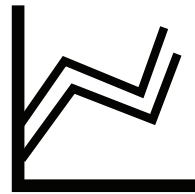
Key Takeaways



Orchestrate the journey:

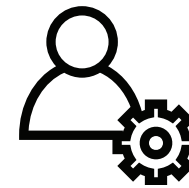
Consumers need a fully conversational interface to keep them engaged and make them feel heard and understood. Clunky bots frustrate customers and could be damaging your brand. Businesses can start with a narrow scope of queries for bots to resolve and increase the number of use cases as they enhance their understanding of customer behavior and bot effectiveness. Bots can scale from handling simple questions to common transactions, and eventually, providing recommended resources or products based on contextual data.

Companies need to break down silos and unify data to orchestrate bots across the entire customer journey seamlessly to benefit sales, marketing and service. This will enable tailored web experiences according to the specific customer, match customers with employees, and support employees with context and next-best actions.



Leverage the power of CX analytics:

Companies can mine the rich data that digital channels generate to inform strategy across sales, marketing and service. Powerful analytics enable organisations to understand which customers are driving interaction volume, what their intents are and how to better engage them in the future. These analytics will also allow companies to listen more carefully, align around consumer preferences and eliminate pain points in the journey. Empathy begins with listening.



Drive a sustainable agenda:

Among the capabilities considered most valuable for improving customer experience are several that empower employees to provide better service. These include agent-assistance technology to provide knowledge and prompts with next-best actions in real time. Quality management and workforce optimisation tools can also identify training needs, give staff deeper insights into their own performances and offload time-consuming administrative tasks.



“
Voice is our busiest channel, so the smallest improvements can make the biggest impact.

Marcel Hischier,
Product Manager Customer
Interactions, Swisscom

Case study

Small improvements create a big impact

Swisscom is a leading provider of mobile, network, internet and digital TV services for business and consumers. Vital to its success are 4,000 sales and customer service agents who handle more than 50 million contacts annually, mostly incoming calls — in German, French, Italian and English. They also handle emails, chats and letters.

The company uses predictive call routing to not only reduce average handling time (AHT), but also to ensure customers are connected the first time to agents with the right knowledge and skills. “Voice is our busiest channel, so the smallest improvements can make the biggest impact,” said Marcel Hischier, Product Manager Customer Interactions at Swisscom.

Through machine learning and algorithms, Swisscom better matched customer calls with the best-performing agents for different types of interactions. And, by switching between traditional and predictive routing, the company could accurately measure the effect. AHT was reduced by 3%. Net Promoter Score at specific touchpoints (TNPS) also improved slightly. There

was no negative effect on other KPIs, such as the speed of answer and abandoned call levels.

“We went from queue-based routing to strength-based routing around a specific KPI and customer type, all in a fraction of a second,” said Hischier. “We picked average handling time but could easily have chosen Net Promoter Score or sales orders. That’s what’s so exciting.”



06 The journey to the cloud

The scale, flexibility, efficiency and innovation cloud platforms offer is transforming modern customer experiences. organisations can increase efficiency by scaling resources on demand and adding new services without incurring large overhead costs. And they can enhance customer empathy by unifying services and orchestrating experiences. But survey respondents said the greatest benefits stem from access to rich data across those channels — leading to better decision-making, real-time performance improvements and more robust risk management.

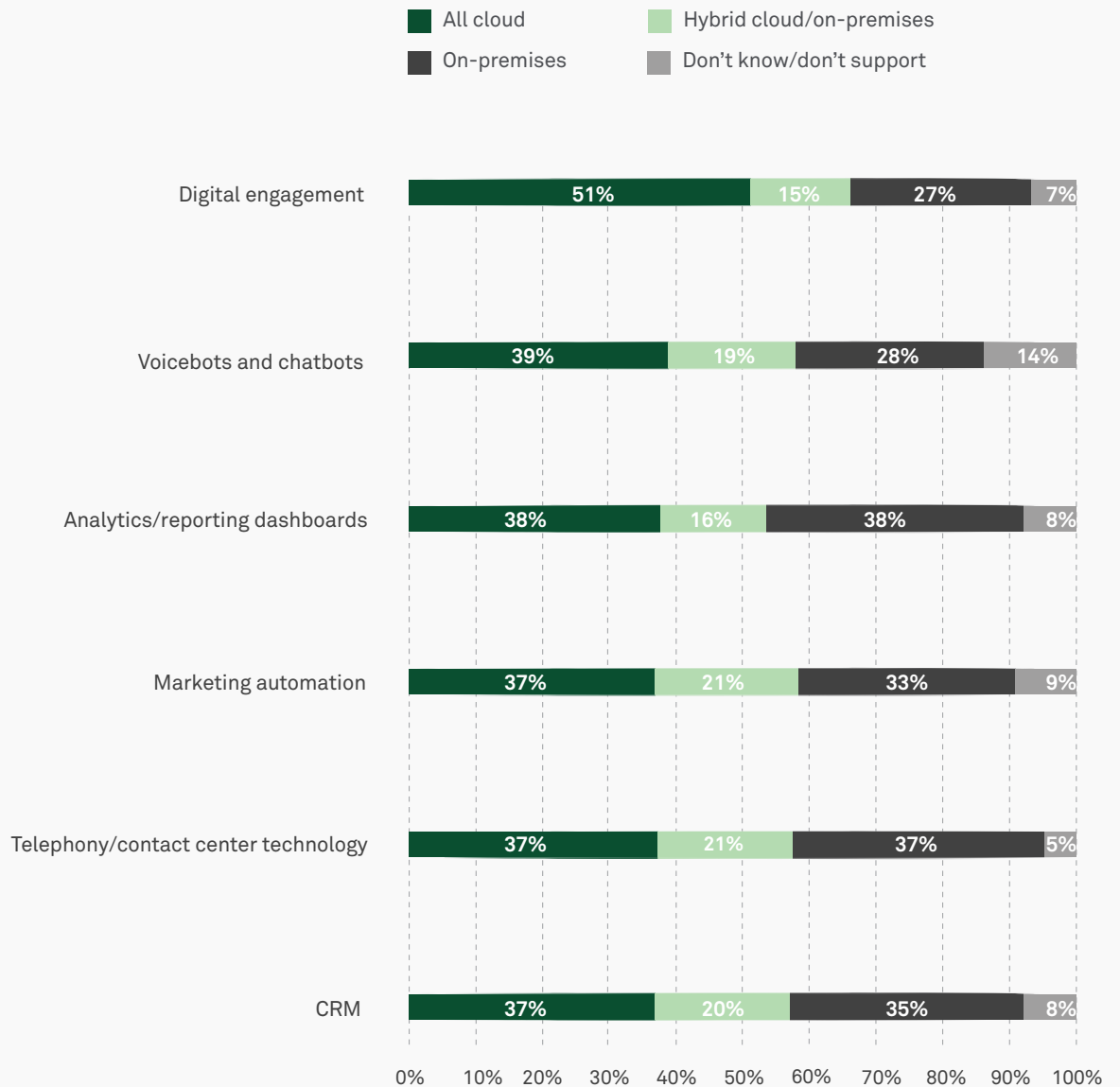
Companies surveyed said they're using a mix of all-cloud, hybrid cloud and on-premises technologies, along with applications that are fully on-premises. Digital engagement and chatbots are most likely to be deployed using cloud solutions. More than two-thirds of CX leaders using on-premises technology are considering a migration to the cloud.

Cloud architectures

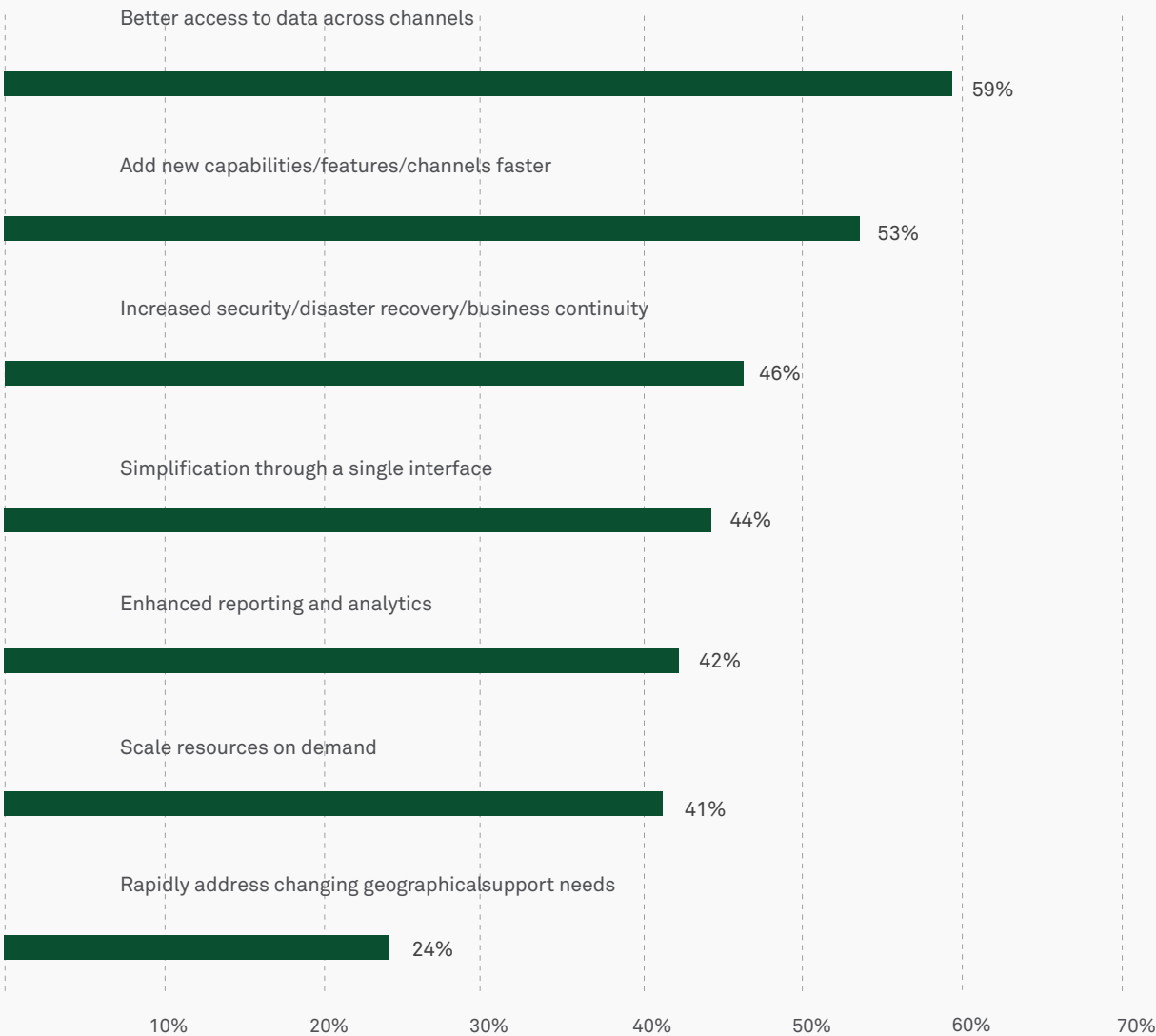
Companies use cloud, hybrid models and on-premises technology for customer care.

Cloud models prevail for most companies' customer care technology, whether in all-cloud solutions or through a hybrid cloud/on-premises approach. Digital engagement, chatbots, and analytics and reporting dashboards are most likely to be deployed in the cloud. Of those using on-premises technology, approximately 70% are considering moving to cloud-based platforms.

CX leaders: How are you currently delivering the following components of your customer care infrastructure?



CX leaders: What are the greatest benefits of migrating CX technology to the cloud?



Benefits of cloud

Data, innovation and security are cited as the leading benefits of cloud.

Survey respondents said the greatest benefits of moving to the cloud are the ability to view data and gather insights across channels and to add new features or capabilities more quickly. Improved security and business continuity are also leading benefits.

“Our call center operations needed to replace our legacy infrastructure with next-generation SaaS offerings that could drive standardization, provide new capabilities and enhanced integration for our support and sales activities, [...] **So, moving to a single cloud contact center platform was a logical progression.**”

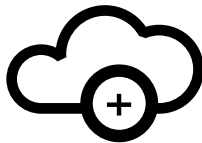
Matt Hayes,
Senior Director, Contact Center Technology,
Microsoft

Key Takeaways



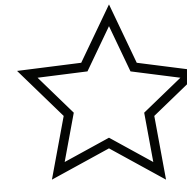
Use CX as an innovation zone:

Cloud platforms allow CX leaders to innovate and test new capabilities rapidly to learn what works best in their operational environments. They allow CX teams to try new ideas, perform controlled experiments, switch on new services, connect with leading third-party applications and turn the customer experience into an innovation hub.



Plot your path to cloud:

Survey data shows that CX leaders who aren't considering a cloud migration for their customer technology are in the minority. There are numerous benefits to a cloud migration, including better access to data, faster innovation, a simplified user experience and agility in resource management. The key question becomes which cloud model is the best fit for your organisation and its business strategy.



Deliver a world-class customer experience:

Cloud platforms allow companies to benefit from industry-leading security, innovation and scale. They're also much more energy efficient than on-premises technology. Genesys analysis estimates that where every on-premises hardware deployment generates 38.99 metrics tons of carbon dioxide, a cloud customer will generate just 4.3 metric tons — almost 90% less¹. As consumers increasingly prioritise sustainability, a company's environmental impact will be an important factor in its brand perception.

Conclusion

“The state of customer experience” explores the customer experience from consumer and business perspectives, providing actionable insights to guide the next phase of CX transformation. The greatest change from 2017 to 2021 was the scale of the shift from physical to virtual, which has affected organisations differently based on their digital maturity.

While some organisations are struggling with complexity, aging technology, resource constraints and lack of agility, others are exploring how to capitalize on their digital advantage — using data, best-in-class technology and intelligent orchestration to deliver seamless experiences. How they move forward will depend on their industry, competitive landscape, existing technology environment and CX strategy. But some of the findings are universal:

- **CX leaders win:** Customer experience is a major business differentiator for companies today. In almost 60% of surveyed organisations, customer experience reports to the executive board or CEO. And two-thirds of CX leaders say both budgets and headcounts are increasing. The challenges involve how to keep up with consumers’ growing expectations for convenience and service quality while also using CX to drive competitive advantage.
- **Digital interactions have soared:** The pandemic has accelerated shifts in consumer behavior, more than doubling consumers’ use of chatbots, social media and mobile apps for service interactions since 2017. And interaction volumes across voice, email and live webchat doubled from 2020 to 2021, according to Genesys Cloud CX data. But FCR — customers’ top preference for general interactions — remains elusive and deserving of greater strategic focus.

- **Employee experience is a top priority:** Engagement, training, quality control and compliance are among the top challenges CX leaders are facing in today's distributed work environments. The solutions are agent-assist technology as well as quality management and workforce optimisation tools. Polled CX leaders cited these as the most valuable new features for managing customer experience today.
- **personalisation is profitable:** Efforts organisations are taking to provide a personalised CX are paying off: Consistently personalised experiences are a powerful driver of wallet share — with about 80% of consumers saying they'll recommend and buy more, more often, from companies that personalize their interactions. So, it's no surprise that “using data and AI for customer insights and personalisation” is the number one strategic priority for CX leaders in 2021.
- **Cloud platforms enable innovation:** Among the benefits of the fast-growing shift to cloud platforms is the ability to rapidly test new technologies — transforming CX into an innovation hub. Survey respondents are reaping the benefits of quickly deploying new solutions and measuring the impact on customer satisfaction, employee engagement and operational effectiveness.

The days of disjointed customer experiences and demotivating employee experiences are necessarily coming to an end. As organisations become increasingly thoughtful about how they orchestrate the customer experience, they're using data and digital interactions to drive greater insights, personalisation and satisfaction — and customers are showing their appreciation by spending and recommending more.

CX leaders have countless opportunities to win in today's experience economy. The paths toward loyalty and growth involve meeting customers on their journey by aligning to their preferences, prioritising customer and employee engagement, and harnessing the plethora of cloud-based technologies that will enable them to do both.

About Genesys

Every year, Genesys® delivers more than 70 billion remarkable customer experiences for organisations in over 100 countries. Through the power of the cloud and AI, our technology connects every customer moment across marketing, sales and service on any channel, while also improving employee experiences. Genesys pioneered Experience as a ServiceSM so organisations of any size can provide true personalisation at scale, interact with empathy, and foster customer trust and loyalty. This is enabled by Genesys Cloud CX™, an all-in-one solution and the world's leading public contact center platform, designed for rapid innovation, scalability and flexibility.

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