



2020
Trends
Customer Experience

Top 10 Customer Experience (CX) Trends of 2020

A Note from the Editors

We are pleased to present this year's Top 10 Customer Experience (CX) Trends of 2020. As the industry undergoes tremendous change, particularly in the area of technology and innovation, it is our hope that this year's ebook can provide insight into the future strategies of brands, outsourcers, and technology partners in the Customer Care Industry.

As we enter into another decade, it is helpful to reflect upon how our industry has evolved and where our industry is headed. There's no doubt, priorities have shifted to providing effortless and memorable customer experiences. However, companies must still find the perfect balance between enabling great CX and working within the competing corporate priorities for time, attention and capital.

The contents of this document would not be possible without the generous support of our participating brands, analysts, and consultants who contributed their insights and feedback into the areas of contact center operations, challenges, and strategic priorities for 2020. We truly appreciate the expertise and experiences shared by this year's panel of industry experts.

A special thanks to:



Lauren Kindzierski & James Waite



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CX Economic Maturity – The Focus is Shifting from “Why CX?” to “How Much?”

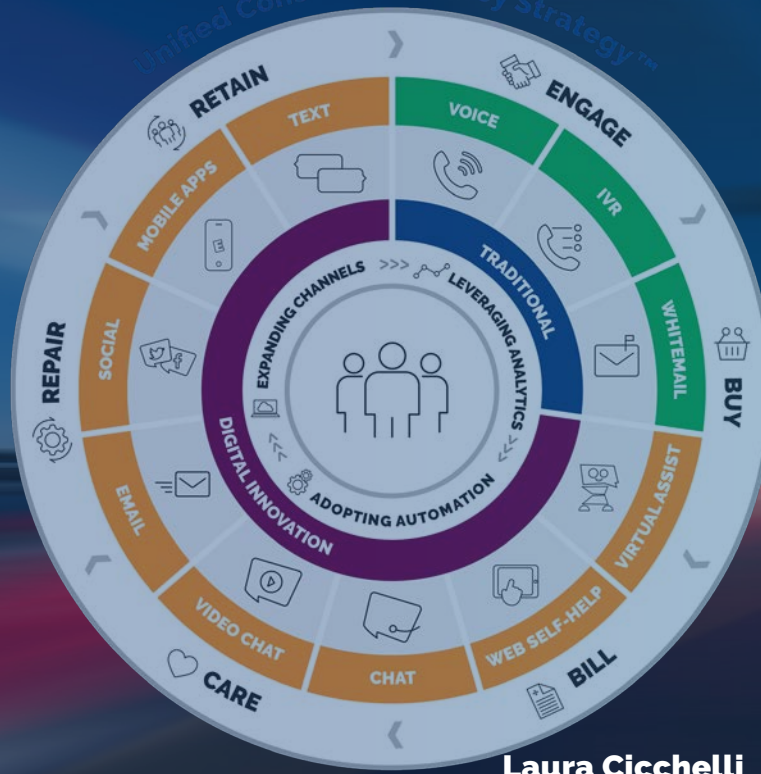
According to Mike Havard, Director of leading CX consultancy firm **Ember Group**, “The economics of good (versus bad) service are becoming clearer, quantifiable and irrefutable. The argument for the board, sponsors and stakeholders to invest and do better is now much more understandable in hard, commercial terms which can better satisfy the need to address P&L, balance sheets, risk and ROI agendas. So, the key trend is that the CX economic rationale is growing up.”

Customer service and product management professionals are tasked with figuring out how to better manage and improve the customer experience. The challenge is navigating a practical way through all of the dynamics of an ever- evolving CX-affecting landscape. The difference today is that it is no longer about “why” to invest in CX initiatives; rather, the conversation is around “how much investment for what return?” and “in which areas?”. Companies are starting to secure more investment in CX initiatives due to AI, automation and analytics helping to prove out business cases, usually positioned as cost savings due to better operational efficiency.

Examples of business cases include: chatbots and virtual assistants to handle the easy contacts thus reducing volume and headcount; AI and automation to filter out the noise in social media posts; AI to predict the best advisor response in digital channels; robotic process automation to reduce the amount of clicks, screens and process steps helping to reduce AHT; and lastly machine learning and natural language processing to help customers find what they are searching for and fast.



Mike Havard
Director, Ember Group



Laura Cicchelli
Vice President, CRM & Analytics,
DXL Big+Tall Men's Apparel



Customer Data Platforms & Journey Analytics for a 360-Degree View

"In 2020, winning brands will invest in a technology stack based on a strategy that optimizes personalization, and it starts with understanding the customer," stated Laura Cicchelli, the former Vice President of CRM & analytics at **DXL Big+Tall Men's Apparel**. Laura went on by stating, "To start, capture the voice of the consumer, segment the customer based on behavior and interactions tracked the CRM, create the right marketing and customer care strategies to drive effectiveness, and continue to experiment – measure, test, learn, and repeat!"

There is no doubt about it, customer engagement is fueled by customer data. But, an understanding of customer feedback does not reveal everything about customer experiences. To get the full picture, customer service professionals need to understand customer behavior across channels, web activity, purchase and return history, marketing offers used, and more. However, many customer care leaders feel defeated today because data resides in multiple systems and platforms that are not integrated. The answer is to create a Customer Data Platform (CDP) and combine it with customer journey analytics.

By tapping into multiple data systems, today's brands have the ability to create a unified 360-degree view of the customer, which will allow customer care and marketing teams to track the history of a customer to deliver hyper-personalized messages, extend tailor-made offers and recommendations, and predict future needs.

AI & Automation That Enhances Live Advisor Support...Without Compromising CX

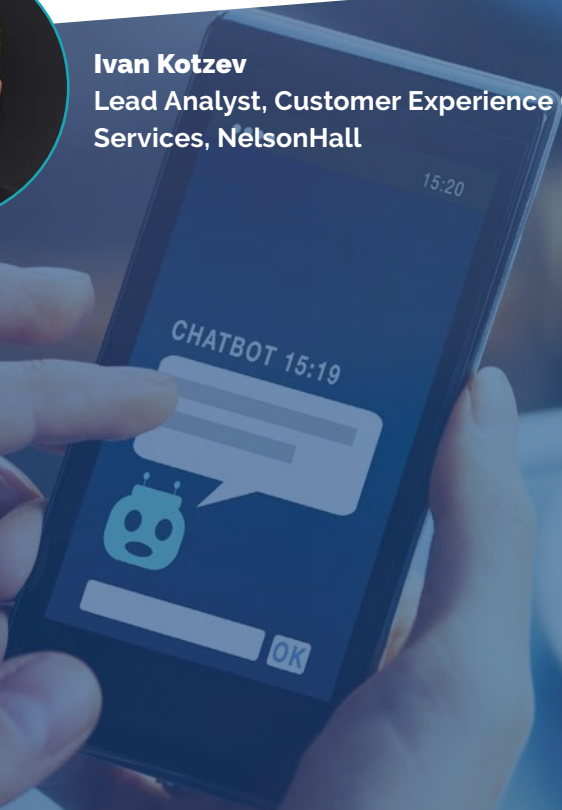
Ivan Kotzev, the CX services lead analyst for **NelsonHall**, recently completed a CX services report where he found that the ROI for contact center AI investments is higher in advisor-enhancing automation versus customer-facing. Additional benefits include shorter advisor speed-to-proficiency, improved ESAT, and lower attrition.

The customer service industry has always been burdened by costly, high labor attrition due to the mundane, repetitive tasks some contact center advisors are faced with on a daily basis. AI and machine learning technology can enhance live advisor support and help overcome this industry-wide problem.

In the last two years, the industry has discovered that the real value of AI and automation is in the advisor experience. When deployed, this technology can help advisors do the majority of the heavy lifting. For example, AI can predict the right response to a customer inquiry in any digital channel. The only action advisors then have to take is to hit “approve” or “personalize” on the predicted responses. In addition, AI and automation can help advisors find the right answer fast, populate the right screens at the right time, reduce the number of clicks, or even present personalized cross-sell offers at the perfect time in the customer-advisor dialogue. These new customer care solutions will bring together the empathy of advisors with the efficiency of bots, thus producing an amazing (and cost effective) customer experience.



Ivan Kotzev
Lead Analyst, Customer Experience (CX)
Services, NelsonHall





Peter Ryan
Founder, Ryan Advisory



BPOs Rethink Business Models

Peter Ryan, the founder of **Ryan Advisory** has stated, "In 2020, the objective for engaging BPOs on front-line interactions will be less around cost savings and more on value, consumer loyalty, and growing share of the end-user wallet."

Twenty years ago, outsourcing was a phenomenon. It meant that companies could dramatically decrease their operating costs, using "low cost" labor and a telephone. However, as consumers' expectations have dramatically shifted when it comes to the CX, it quickly became apparent to brands that their customers will no longer tolerate poor experiences, and customers will simply move their business elsewhere. Most BPOs have adapted with changing customer behaviors, providing highly sophisticated services and solutions that take advantage of emerging technologies, whilst complementing the traditional activities delivered, such as augmented reality, virtual reality, big data, analytics, robotic process automation, artificial intelligence, and machine learning.

The challenge is that companies procuring BPO services still think of those connotations to the word "outsourcing" and will nearly always go-to-market with an RFP for a "call center provider," awarding the business to the lowest price bidder. The sad reality is that it has reached the point where it has become unsustainable and bad for customers. In the past two decades, our industry has witnessed BPOs winning business by pricing minimum wage salaries, stripping out any innovative technology, and still taking a loss in the hopes that they will be able to claw it back through efficiencies somewhere. Today, and going into 2020, the customer service industry will witness BPOs becoming more creative with their value propositions, technology innovation, and pricing – such as a total cost of ownership (TCO) approach, gain-sharing models, or contractual incentives focused on driving value using innovation.

The Rise of the Flexible Workforce and the Gig Economy

"Technology now provides an opportunity where service leaders can utilize flexible workers to tackle some of their biggest business hurdles," said Chad McDaniel, President and Co-Founder of **Execs in the Know**. "For call centers, gig workers can offer cost savings through decreased attrition and better volume management as well as increased quality and customer satisfaction. In 2020, we expect more service leaders to examine the opportunity that gig workers offer and determine the service model that makes the most sense for them."

Attrition has always been the customer service industry's number one challenge. Companies are always on the lookout for new talent, while efficiently managing workforce numbers during slow, normal, and busy periods. It's a difficult challenge to strike the perfect balance, especially for contact center operations where people are mostly on full-time contracts.

There are a lot of buzzwords flying around the industry at the moment related to what is ultimately flexible working, including "work-at-home," "the gig economy," and "crowdsourcing." They all have their nuances; however, all are broadly speaking of ways of flexible working. Benefits exist for all parties involved. For companies, it allows for greater flexibility in staffing, pay is contingent on the completion of an outcome, employees are independent contractors and therefore attrition is much lower or nonexistent, and talent is much easier to recruit. For the flexible workers, they are called upon when needed and can accept or decline based on their lifestyle or financial situation. Flexible workers can specialize based on skillset, command more premium rates, and move from company to company to add job variety while meeting demand. Lastly, for customers, the flexible workforce can be used strategically to help staff the hours or positions that were previously difficult to fill, which could reduce customer wait times. Flexible workers can be based anywhere, therefore opening up a vast talent pool that can potentially ensure closer alignment to customer needs, languages, preferences, or interests.

There is, however, contention surrounding the gig economy in three major areas: customer data, security, and compliance. Therefore, as a trend for 2020, we can expect brands to increasingly draw on today's digitally native workforce who appreciate work-at-home and gig-economy benefits; however, the industry will remain cautious not to "go all in" and instead find flexible working solutions that supplement existing traditional contact center operations.



Chad McDaniel
President and Co-Founder,
Execs in the Know



Michael DeSalles
Principal Analyst, Frost & Sullivan



Mind Blowing Social Media Customer Experiences

Michael DeSalles, Principal Analyst for **Frost & Sullivan** stated, "Having a robust social media customer care strategy will be one of the most important CX trends in 2020 because customers now have unprecedented power to influence the opinions of other customers, thereby impacting brand loyalty and purchasing."

Social media customer service has been around for longer than a decade, but what it takes to succeed has changed. Today, a new generation of digital natives – Gen Z – is turning to social media for help and expecting more than just a response. They expect a mind-blowing CX. In addition, consumers are writing reviews, which are having a huge impact on customer acquisition strategies. Many brands have mastered the basics of simply responding to customers, but now brands are starting to take social care to the next level by leveraging a powerful combination of AI, automation, bots, analytics, and the human touch.

Many brands are seeing a growth in social volume year over year, and yet staffing levels remain the same due to limited budget and resources. These constrained resources spend a lot of time and effort sifting through posts, determining what's actionable, and tagging the posts for reporting. This reduces response rates and times, ultimately causing bad experiences.

Fortunately, artificial intelligence (AI) and automation have been able to solve this problem for social care teams. AI weeds out the non-actionable posts, leaving only the engage-able messages. This pool of messages now gets prioritized using AI, in order of most important and impactful. Automation then routes the right post to the right team. These teams are better trained in responding and resolving issues in-channel using a creative, authentic, and witty brand voice. In the end, it results in what we all want – more shares, comments, retweets, and a positive brand reputation.

The Power of Partnerships and M&A for the complete Digital CX

Melissa O'Brien, research Vice President, customer engagement, from **HFS Research** stated, "It's no longer about the "why" for CX, but what and how to deliver really great experiences. This is driving a change in the way companies approach partnerships. Smart enterprises are looking for companies who can truly partner with them to help transform their customer experiences."

As fast-growing disruptive companies enter the market and steal market share away from long time traditional enterprises, it is forcing companies to rethink the way they do business. This places a priority on providing effortless, digital, and mobile-first customer experiences. The challenge is that large enterprises cannot move as fast as a small startup, and time is money. The slower they move, the higher the customer churn.

The solutions many brands are pursuing include traditional partnerships, outsourcing relationships, or a mergers and acquisitions (M&A) with companies that can bring the digital intellectual property (IP) and the talented resources behind it, such as data scientists, developers, AI and machine learning engineers, and cybersecurity engineers.



Melissa O'Brien
Research Vice President,
Customer Engagement, HFS Research



Investment in Data Privacy and Security Increases and, In Turn, Affects the CX Industry

According to Risk Based Security (RBS) research published in the 2019 MidYear QuickView Data Breach Report, there were “more than 3,800 publicly disclosed breaches in the first 6 months of 2019 exposing an incredible 4.1 billion compromised records.”

There are multiple preventive measures an organization can take to prevent a data breach; however, sometimes these measures are not enough, and a data breach will still occur. Whether hackers took personal information from a corporate server, an insider stole customer information, or information was inadvertently exposed on the company website, it is important brands have a plan ready to execute. In a breach situation, the top priority is to assemble a team of experts, including forensics, legal, information security, IT, operations, communications, investor relations, and the most important – customer care.

In 2020, we will witness more companies becoming proactive, building out an effective customer service strategy, and planning to help minimize brand reputation damage. A contact center team's ability to de-escalate anxiety and to lessen customers' fears will be crucial to reputation preservation efforts and, more importantly, rebuilding customer trust and loyalty. Partnering to focus on compliance, accurate reporting, and safeguarding customer data are going to be critical in 2020 and beyond.

The Shift from “Agents” to “Ambassadors”

Louis Guerrero, Sr. Customer Care Manager, **Funai Corporation, Sanyo, Kodak Verite** stated, “In the face of ever-evolving technology innovation, personal contact is still king. Our Philips brand has industry-leading NPS scores. We have had them consistently quarter over quarter and that is in no small part due to our customer service culture. We have created a culture where we trust and empower our customer care team to go beyond a one dimensional and linear script or flow chart, to truly problem solve and take some risks, within limits, to resolve a customer issue. Ultimately, today’s brands need to train advisors to become both brand ambassadors and customer advocates.”

The term “agent” often implies that a person represents a company in a prescribed, defined, limited fashion; it implies that the person handles only “cut-and-dry,” straightforward, and impersonal scenarios, which is often now far from the case in the contact center world. The term “ambassador,” on the other hand, often has a broader, more empowered meaning, whereby the people representing your company are more attuned to the culture and the customers and who are involved in promoting, creating a more positive, friendly impression, and cultivating goodwill over a longer term relationship. “Ambassador” is more closely connected with loyalty.

Whether they have changed the job titles or not, some name-brand companies have already given “agents” some “ambassador” duties. If they have empowered employees to use judgement to extend offers to retain customers, allowed them to investigate complaints in collaboration with other departments, invited them to provide feedback to the marketing or product development teams, etc., chances are they have already started the shift from “agent” to “ambassador.” Embracing the term fully by changing job titles can only deepen customer connections and increase the value your contact center team can provide.

In addition, companies really started to heavily invest in technology, such as bots and automation, to take on the repetitive simple enquiries. This allows customer care representatives to focus on tasks where they can provide a higher level of empathy, value, and experience to the customer. HGS has trademarked the term “Bots&Brains,” as this proposition is designed to perfectly balance automation and people while delivering efficiency without compromise to experience. It’s proving to be a win-win for companies and customer service talent alike. Companies save money, and people become ambassadors who are paid higher salaries and receive better training for complex and high empathy inquiries. This is a big trend for the BPO industry in 2020, as we watch what was an old-fashioned “Call Center Agent” turn into a modern day “Brand Ambassador”.



Louis Guerrero
Sr. Customer Care Manager,
Funai Corporation, Sanyo, Kodak Verite



Simon Dillsworth
Managing Director, Ember Group



Digital Transformation with Customer-First Thinking

In the past couple of years, we've witnessed many companies buying advanced technology based on all the benefits it can deliver. IT and operations departments are too often implementing this software without collaborating with customer-facing teams, conducting meaningful pilot tests, or taking the time to fully understand the impacts that IT changes could have on the customer. An IT-first approach has taken hold, resulting in the trending of a fundamental problem – it's impossible to digitally transform CX without customer-first thinking. This means that companies on the cusp of IT change are not first asking the critical questions of – (1) what does the customer want and (2) how can technology help make that happen for them?

Simon Dillsworth, Managing Director of **Ember Group**, confirms – "I've seen this trend with clients. Consumers are realizing what 'channel shift' actually means – and they don't like it. For example, being forced to speak to a machine that hasn't quite learnt, or isn't quite (artificially) intelligent enough, just doesn't feel right, and doesn't set consumers up to want to do more business with the perpetrator of this 'service'. If technology is to be employed effectively it needs to be developed with human learning and behavior in mind. Think about how we learn today: we are given a set of rules or guidelines but when we encounter an event we take the context of the situation and our emotional feelings to help us decide how we respond to it. Traditional tech or 'bots' cannot do this – they respond based on pre-coded answers and until we can train bots to learn and respond as humans, the results from a CX perspective will continue to be limited and in many cases underwhelming. This is increasingly important when you consider important themes such as vulnerability where we rely on human understanding from advisors to be able to spot the signs of customer vulnerability and tailor their interaction accordingly. We are some way off from being able to have bots do this but as technology advances and our ability to 'humanize' bot interaction increases – we may see increasing evidence that technology can take a greater role in detecting and responding to emotion and context. In 2020, expect the 'humanization of tech' to become an increasing CX trend as service providers and technology companies alike continue to tackle this space.

About the Editors



Lauren Kindzierski, VP of Consumer Engagement Solutions at HGS, the world's leading digitally led Customer Experience (CX) company. Lauren has over 12 years experience in the customer experience industry. Her passion for customer experience has driven her to develop innovative engagement solutions – including HGS EPIC™ social customer care and HGS Text for clients. In 2016, she received a Silver Stevie® Award for being a Women Leader in Business, Executive of the Year. Lauren holds a Masters degree in Business Administration from Walsh College. To learn more or ask a question, please connect with her on Twitter (@LaurenKindzi); LinkedIn - [linkedin.com/in/laurenkindzierski/](https://www.linkedin.com/in/laurenkindzierski/) or email lauren.kindzierski@teamhgs.com.



James Waite, Head of Marketing Europe at HGS, the world's leading digitally led Customer Experience (CX) company. James has over 10 years' experience in the customer management industry and has a passion for helping organisations balance 'Bots & Brains™' to deliver business efficiencies, without compromising CX. James has a background in industry best practice having worked for an industry trade association, as well as a number of industry BPOs. James has a First Class Degree in Advertising & PR from the University of Lincoln. To connect with James, please reach out to him on LinkedIn - [linkedin.com/in/waitejames](https://www.linkedin.com/in/waitejames) or email james.waite@teamhgs.com.

About HGS

A global leader in business process management (BPM) and optimizing the customer experience lifecycle, HGS is helping make its clients more competitive every day. HGS combines technology-powered services in automation, analytics and digital with domain expertise focusing on back office processing, contact centers and HRO solutions to deliver transformational impact to clients.

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