Transforming Customer Experience
Six Vital Projects to Help Improve CX

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Executive Summary

Customer engagement is a top priority at businesses—and for good reason. Consumers say they will tolerate three bad experiences before leaving the company for good. That may help to explain why 65% of companies had planned to increase their 2023 customer experience (CX) spending by an average of 24%, according to Metrigy's *2023 Technology Spending Forecast* global study of 400 companies.

CX and business leaders see customer engagement as an area ripe for transformation. In fact, 82.7% of companies have completed, are engaged in, or are planning a CX transformation project for 2023, according to Metrigy's *Customer Experience Optimisation: 2023-24* global study of 641 companies. These projects, as defined in the study, apply new or existing technology to improve agent and/or customer experience to drive positive business value.

Moving toward 2024, the following six trends are guiding successful CX strategies:

1. **Customers want AI-assisted self-service options**. They expect proactive outreach, as well as the opportunity to solve issues or make purchases without human involvement.
2. **The human touch remains critical**, not only for customer interactions, but for internal CX operations. This includes hiring and/or empowering a Chief Customer Officer along with the use of AI tools to empower agents to meet quotas and key performance indicators (KPIs), while reducing overall attrition rates.
3. **Workforce engagement tools are vital** for optimising operations. Automating scheduling and forecasting is crucial for effectively serving customers as their demands change, while real-time agent assist helps improve agent performance and satisfaction.
4. **Platform integration results in efficiency gains**. When companies integrate their contact centre with unified communications and collaboration (UCC) platforms, they see positive results in their business success metrics.
5. **Customers want options for how they interact** with companies, including voice, video, and a variety of digital channels. It's imperative for companies to deliver these options, but they also must support **omnichannel integration**.
6. **Customer insight helps keep the contact centre a value centre.** Nearly three-quarters of companies view the contact centre as a value centre, and keeping that perspective alive throughout the company requires a strict discipline of regularly measuring success, acting on the results, and evangelising success.

CX Is a Core Focus for the C-Suite

Customer engagement is a top priority at businesses, as customer tolerance for poor service wanes: 44% of consumers say they stop doing business with a company after just one poor experience, and on average, all consumers will tolerate only three bad experiences before leaving a company for good, according to Metrigy's *Customer Experience Consumer Insights: 2023-24* research study of 502 consumers. Given the cost to acquire new customers across any industry, hanging onto them is crucial.

That may help to explain why 65% of companies had planned to increase their 2023 CX spending by an average of 24%, according to Metrigy's *2023 Technology Spending Forecast* research study of 400 companies. On average, companies spend nearly 3% of revenue (average of $3,350 per employee) on technology annually to improve customer experience. In healthcare, government, and financial services, that figure is almost 4%.

CX and business leaders see customer engagement as an area ripe for transformation. In fact, 82.7% of companies have completed, are engaged in, or are planning a CX transformation project for 2023, according to Metrigy's *Customer Experience Optimisation: 2023-24* global study of 641 companies. These projects, as defined in the study, apply new or existing technology to improve agent and/or customer experience to drive positive business value.

Companies spend
2.8% of revenue
on technology to improve customer experience

Key transformation projects fall into three general buckets: worker-focused, applications and channels, and foundational. Worker-focused initiatives include scheduling and capacity planning for the contact centre, adding or improving workforce optimisation tools, and improving agent hardware. App and channel projects include adding or improving virtual assistants, generative AI, visual engagement, agent assist, and more. Foundational efforts include integration of platforms (such as contact centre and UC), the addition of management tools, and moving certain functions to carrier networks.

Key CX Trends for 2024

Given the attention and budget directed toward customer engagement, CX leaders have some choices to make, since at first glance, nearly everything could be considered a priority. They must ensure they are exceeding or at least keeping pace with competitors, while also addressing their own problems or opportunities.

Not surprisingly, AI is a thread through nearly any CX discussion. Our research shows that companies that are not using AI will have hired 2.3x the number of agents in 2023 vs. those using AI. That's not to say AI is replacing existing agents (46.5% of companies still plan to increase their

contact centre's licences in 2024); rather, AI is making existing agents more productive and effective, reducing the need to keep hiring more and more agents.

Not only is AI helping with agent efficiency, but also with revenue growth and customer rating improvements. For example, when companies use AI for customer engagement, they increase revenue by an average of 19.6% and improve customer ratings by 20.5%.

Through our research, we have identified some key trends, along with the corresponding technologies that can address them. They include the following:

- Customers want AI-assisted, self-service options
- The human touch remains critical
- Workforce engagement tools are vital for optimising operations
- Platform integration results in efficiency gains
- Customers want options for how they interact with companies
- Customer insights help keep the contact centre a value centre

Customers Want AI-Assisted, Self-Service Options

For certain interactions, customers prefer self-service. These include online shopping, banking, paying bills, gathering product information, and solving simple problems, among other things. Self-service portals, FAQs, chatbots/voicebots, and website content, as well as intelligent virtual agents (IVAs) and proactive outreach tools, all pull from a knowledge base (or multiple knowledge bases) to help customers help themselves. By the end of 2023, 79.1% of companies will have chatbots in place, and 71.1% will have voicebots.

Most companies acknowledge they need to improve self-service: 29% say they need significant improvement and 40.3% say they need incremental improvements. The starting point is typically an update to the knowledge base with accurate information, more creative and multimedia content, and a process for updating content to keep it accurate. Doing so provides an accurate repository from which traditional and generative AI can draw.

Chatbots are the most common way AI helps customers in self-service interactions. Figure 1 on the next page illustrates the ways customers find value with chatbots, according to Metrigy's *CX Consumer Insights* study. To some, the value is in finding direction, to the right person or the right spot on a website. For others, it's more about logistics, such as an order confirmation or appointment change. Some also see value in chatbots to resolve a problem or provide feedback about a product or experience.
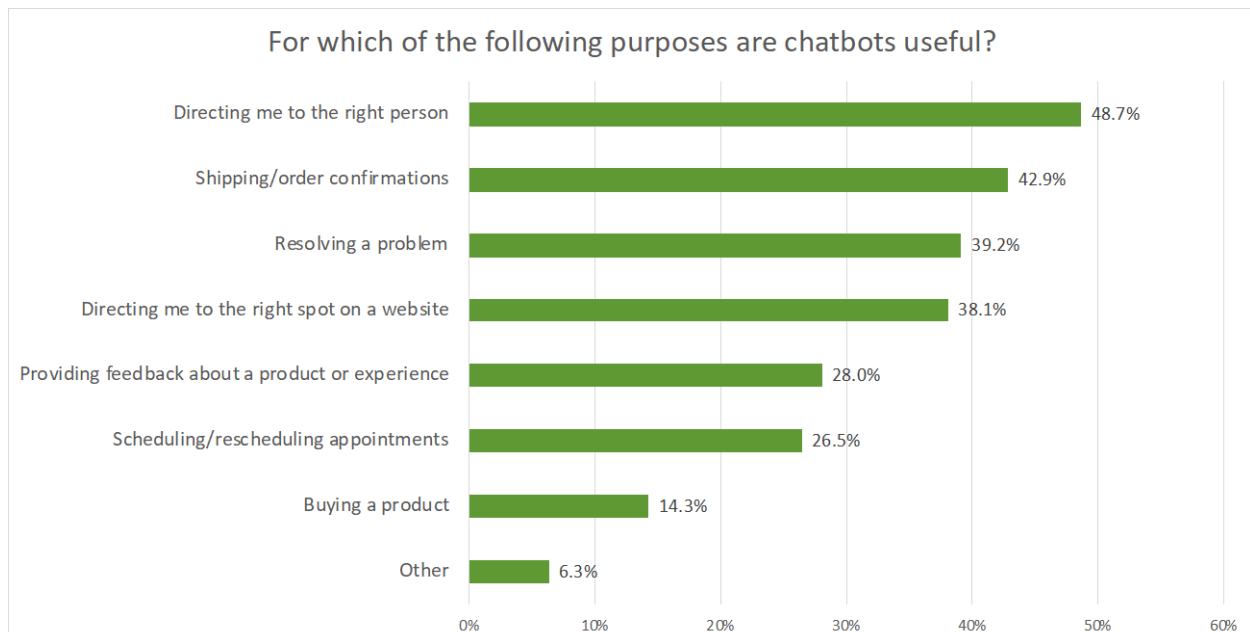
For which of the following purposes are chatbots useful?

Purpose	Percentage
Directing me to the right person	48.7%
Shipping/order confirmations	42.9%
Resolving a problem	39.2%
Directing me to the right spot on a website	38.1%
Providing feedback about a product or experience	28.0%
Scheduling/rescheduling appointments	26.5%
Buying a product	14.3%
Other	6.3%

Figure 1: For which of the following purposes are chatbots useful?

Chatbots, as well as other conversational AI tools such as IVAs, also can use generative AI, by taking customer enquiries, translating them into a prompt to deliver content, summaries, and answers. Already, 27.3% of companies are using generative AI, with another 47.2% planning to do so by the end of 2023, according to our *CX Optimisation* study. Of those using the technology, 38.8% are creating content for chatbots to use. Overall, content creation is the most valuable use of generative AI, according to 40% of CX leaders (the highest of any use of generative AI).

AI plays other roles in customer self-service, as well. For example, AI can trigger proactive outreach to customers regarding a technical problem or service disruption, automatically sending status reports and "make-good offers" based on loyalty or customer value. Additionally, 25% of companies use AI to update their knowledge bases regularly and automatically when product or pricing changes take place. Or, when machine learning notices customers escalating to live agents in a consistent question within the FAQ, it can observe how agents resolve the issues and update the FAQ. Nearly half (48%) of companies use AI to determine whether self-service is the right place for customers to get resolution. Think of it as a triage function, where AI can hedge customer frustration by directing them right to a live agent for issues that it knows self-service won't be able to resolve.

When companies use chatbots for customer interactions, they see measurable success. Revenue increases by 12.6%, customer ratings increase by 13.7%, and agent efficiency increases by 11.2%.

The Human Touch Remains Critical
Despite all the investment into AI, which automates manual functions and, in some cases, removes humans from the entire interaction, the human touch remains critical. This is true not

only for customer interactions, but also for internal CX operations. Many CX leaders don't look at AI as replacing agents, but rather, empowering them and making them more productive.

One way to ensure AI is a productivity enabler is to hire and empower a Chief Customer Officer (CCO). As of mid-2023, only 29.5% of companies had a CCO, but another 42.8% planned to hire one by the end of the year. So, moving into 2024, the majority of companies will have a C-level executive in charge of customer experience and acting upon enormous amounts of data to ensure balance between human and automated interactions.

CCOs drive measurable success. For example, customer ratings increased by 23.8% in the past year among companies with a CCO, compared to only 10.5% among those without a CCO. Agent efficiency improved by 18.1% with a CCO and 9.8% without one.

> **Chief Customer Officer**
>
> *Executive-level individual with ultimate responsibility for **all customer-facing activities and strategy** to maximise customer acquisition, retention, and satisfaction.*
>
> *Often works closely with CMO and head of sales. Creates "**customer-first**" mentality across the organisation, in large part through **analysing data** of customer ratings, sales, sales through voice and digital channels, self-service, and in-person experiences.*

One problem, though, is that too many CCOs are not fully empowered. An empowered CCO has the budget, staff, and decision-making authority to implement changes necessary to improve customer experience. Only 46.6% of companies say their CCOs are fully empowered, while 34.6% say they are somewhat empowered, and 17% say they are not empowered. By fully empowering CCOs, companies can expect to see measurable success. Indeed, 52.2% of our research success group empower their CCO, vs. only 44.5% of the non-success group.
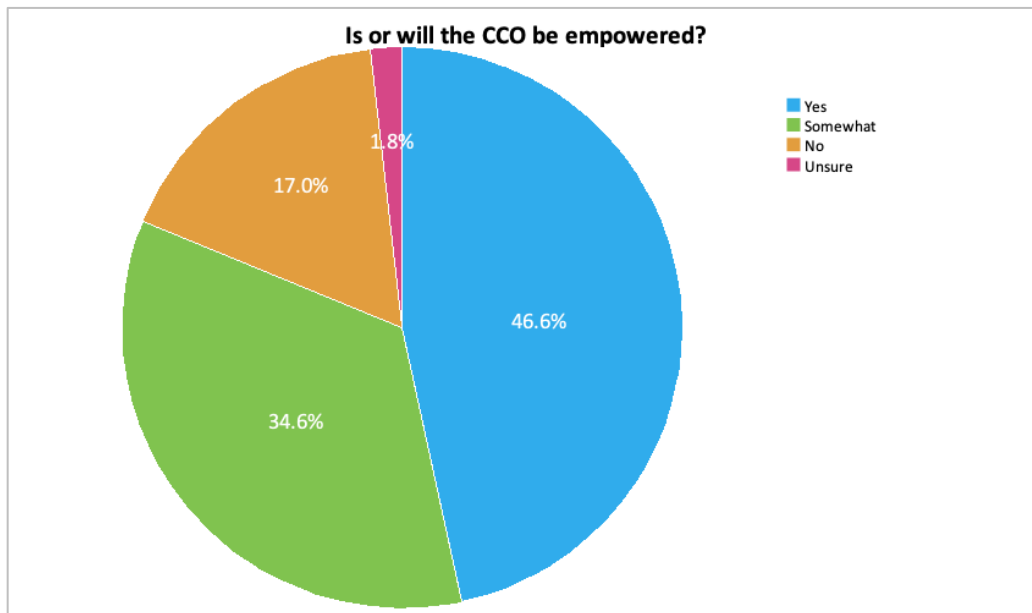
Figure 2: Is or will the CCO be empowered?

Though "loss of human touch in our interactions" is the top concern about generative AI, the technology, ironically, is helping to improve the human touch. Generative AI can quickly sift through thousands of open-ended comments from customers, providing agents with insights during their training sessions as to how they can improve. Likewise, when a company uses generative AI in conjunction with its own data, it can provide agents with answers that most effectively address a customer's questions—and suggestions for next-best actions.

Broadly speaking, traditional AI also can play a role in addressing the human touch: 63.3% of companies say the use of AI helps improve the quality of agents—primarily through the insights it can glean from customer feedback and analysis of actual conversations between agents and customers. Sentiment analysis and other types of AI can make consistent assumptions about customer sentiment based on tone of voice, word choice, or expressions, providing real-time suggestions to improve the interactions. As agents get better at their jobs, and become happier, they will meet sales quotes and other KPIs—ultimately reducing overall attrition rates. In fact, we saw a huge drop in agent attrition from 2021 to 2022, from 31.5% to 21.8%.

Workforce Engagement Tools Are Vital

Agent satisfaction has become a huge focal point in 2023 and will continue to be one in 2024. Workforce Optimisation (WFO) and Workforce Engagement Management (WEM) tools have always helped contact centre managers optimise operations, but the tool-sets are expanding and also using AI—making them even more powerful.

Contact centre managers regularly use these tools to automate scheduling and forecasting—a crucial function given the rapidly changing ways consumers interact with companies. How does a supervisor do an effective job with capacity planning when just a month prior, half the number of customers may have been using self-service, but those data points aren't yet available? AI can evaluate interaction data, agent efficiency, and customer satisfaction to predict staffing requirements. It also can automate manual call scoring for supervisors and provide performance evaluations on every call rather than random ones.

Agent-assist applications reduce average handle time by
27.2%

WEM focuses on making agents more productive and efficient, which in turn, makes them happier with their jobs. And happy agents equal happy customers. The most widely used and successful application for improving agent performance is agent assist, software that uses various types of AI to provide in-the-moment advice, information, and context to deliver the best possible service.

Our research has documented many improvements with agent assist. For example, it reduces average handle time by 27.2%. It also is the top technology, cited by 42% of companies, to help close sales, along with personalised online sales training, analytics, and gamification—all part of WEM/WFO suites.

Platform Integration Results in Efficiency Gains

The integration of contact centre and UCC platforms results in positive business metric improvements. For example, IT will likely spend less on managing contact centre and UCC when there's only one platform with which to contend. In Metrigy's *CX Optimisation* study, the success group (those with higher-than-average business metric improvement through the use of AI in their CX initiatives) found the following improvements when they integrated their UC and contact centre platforms:

- 26.5% improvement in customer ratings
- 22.6% increase in annual revenue
- 23.1% boost in agent efficiency
- 18.0% decrease in operational costs

Though both platforms deliver value to companies, the contact centre has become the focal point for companies buying both together. More than four in 10 buy their UC and contact centre platforms at the same time, and among those companies, 66.9% say the contact centre carries more weight in the vendor selection than the UC platform.
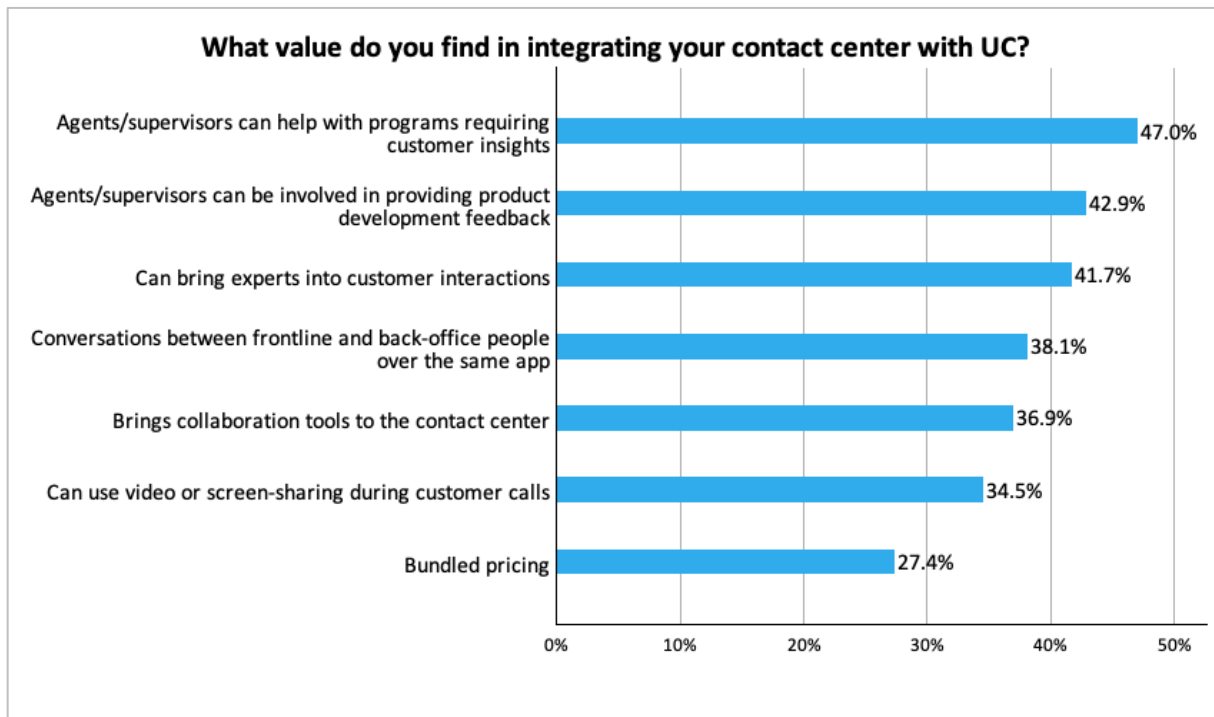
What value do you find in integrating your contact center with UC?

Category	Value
Agents/supervisors can help with programs requiring customer insights	47.0%
Agents/supervisors can be involved in providing product development feedback	42.9%
Can bring experts into customer interactions	41.7%
Conversations between frontline and back-office people over the same app	38.1%
Brings collaboration tools to the contact center	36.9%
Can use video or screen-sharing during customer calls	34.5%
Bundled pricing	27.4%

Figure 3: What value do you find in integrating your contact centre with UC?

Once companies have integrated their platforms, they find value in many ways. For the first time in our research, the top reasons for integrating the platforms are not to help those within the contact centre, but rather, those outside of it: 47% see value with agents or supervisors helping with programs requiring customer insights, and 42.9% use feedback from them in product development. Agents and supervisors interact with customers daily, so they can provide insight as to whether sales and marketing strategies, product design and upgrades, or promotions are aligned with what they're hearing from customers. Other reasons help the contact centre agents, including by bringing experts into customer interactions or bringing collaboration into the contact centre, as Figure 3 above illustrates. In fact, 47.3% of companies allow non-contact-centre employees to help inside the contact centre when needed. And within these companies, 29.7% of employees help agents who need their expertise to close sales or resolve issues.

Customers Want Options for How They Interact
Serving customers with only voice and email no longer cuts it. They want a variety of options for interactions, based on the issue at hand, where they are, and what else they're doing. They will opt for the most convenient channel that will result in the fastest and most accurate resolution—and should they need to escalate to another channel, they expect to do so without the hassle of needing to repeat the information they've already shared or losing the context of the conversation as a whole. When given various use cases, consumers select different channels, according to our research. For example, 70.4% of consumers prefer text or email for appointment confirmations, but 51.2% want to have a phone call to address a problem with a product or service.

Companies are responding with a full suite of channels, with voice and email at the top of the list (given they are the oldest interaction channels in use), followed by a variety of non-voice digital channels, including business messaging applications, conversational AI (as discussed above in the use for self-service), social media, webchat, SMS, visual engagement, and more. Figure 4 below shows the percentage of companies adopting each channel by the end of 2023.
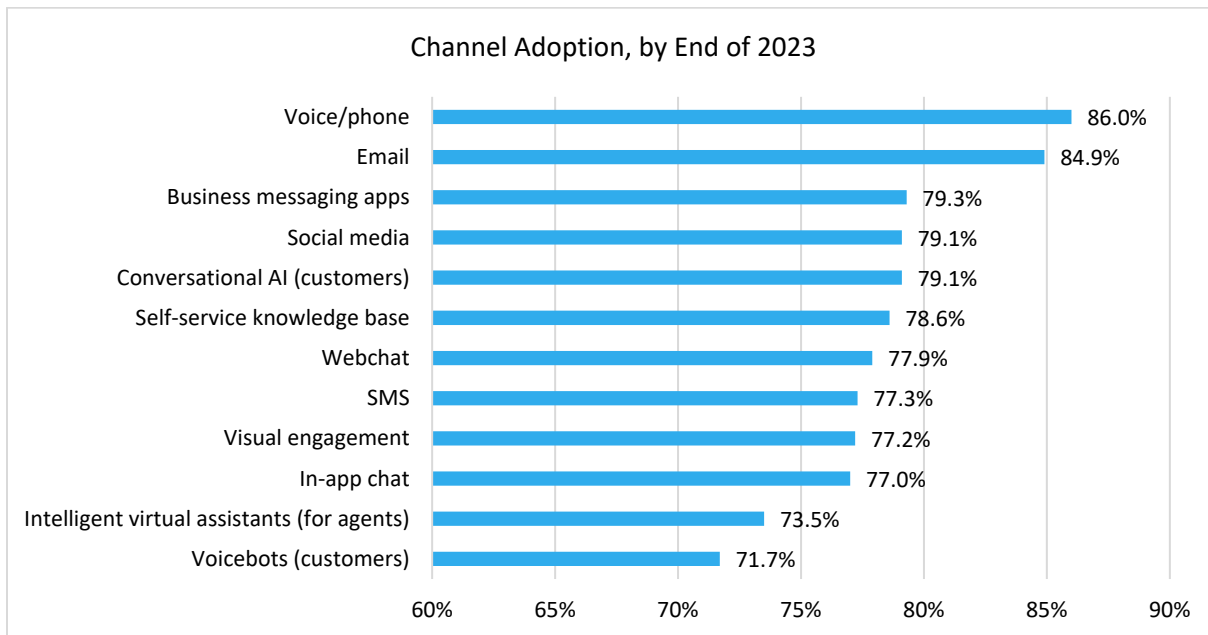

Channel Adoption, by End of 2023

- Voice/phone — 86.0%
- Email — 84.9%
- Business messaging apps — 79.3%
- Social media — 79.1%
- Conversational AI (customers) — 79.1%
- Self-service knowledge base — 78.6%
- Webchat — 77.9%
- SMS — 77.3%
- Visual engagement — 77.2%
- In-app chat — 77.0%
- Intelligent virtual assistants (for agents) — 73.5%
- Voicebots (customers) — 71.7%

Figure 4: Channel Adoption, by End of 2023

One of the biggest problems as companies add new channels is the lack of omnichannel integration, which enables the content of the interaction from within any channel to be visible in real time and historically from any channel. Only 29% of companies were using omnichannel at the end of 2022; the good news is we project that figure to increase to 43% by the end of 2023. The primary driver is the ability to follow the customer journey and carry interaction content from one channel to the next, so customers don't get frustrated at having to repeat themselves.

Analytics Helps Keep the Contact Centre a Value Centre
Nearly 75% of companies view the contact centre as a value centre, according to the *CX Optimisation* research study. These contact centres deliver measurable value to the company in the form of revenue, reduced cost, profit, and/or customer satisfaction. In other words, the value of the contact centre outweighs the associated costs to operate it. Conversely, only 26% view the contact centre as a cost centre—i.e., draining financial resources without delivering measurable business value. In other words, the cost of the contact centre is not worth the value derived from it.

The only way a contact centre becomes a value centre is by having the analytics to document success. Most companies (83%) gather customer insights; 61.5% act on them. They share feedback with employees in the frontline and the back office; they ask customers to write reviews; make adjustments to sales and marketing strategies; and change technologies in use.
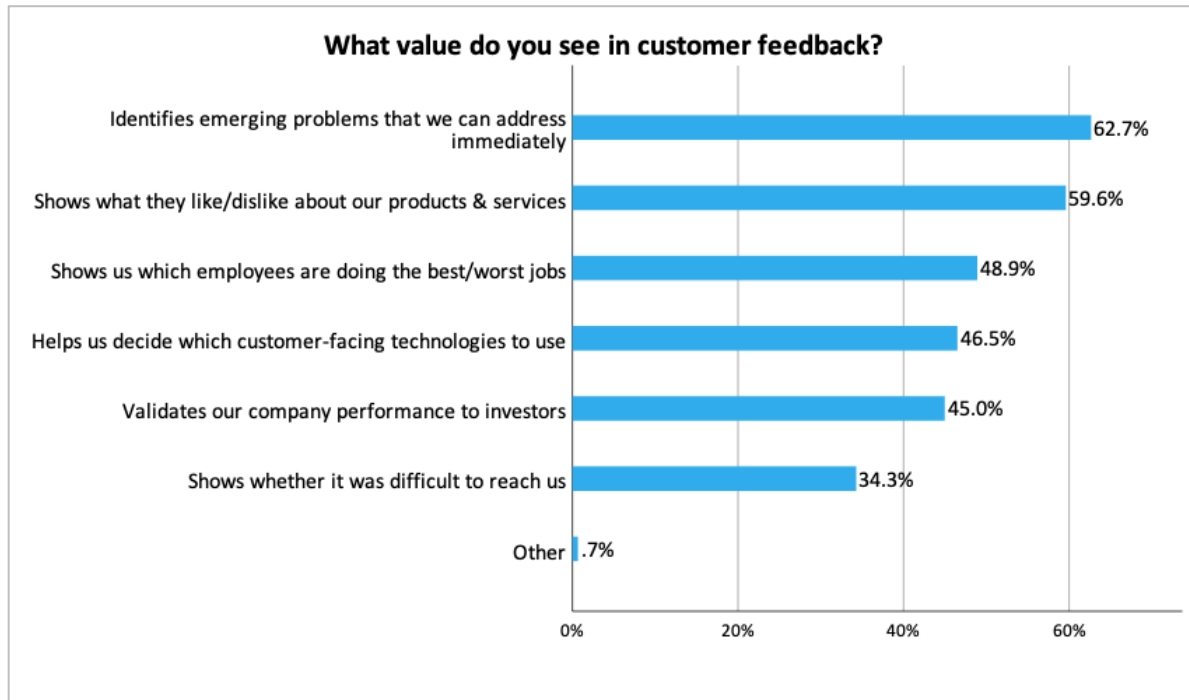

Figure 5: What value do you see in customer feedback?

Customer feedback generated from the contact centre helps provide value throughout the company. As Figure 5 above shows, feedback identifies emerging problems; shows customer likes, dislikes, and complaints; examines employee performance; guides technology decisions; and validates performance to investors. That type of information unquestionably makes the contact centre a value centre. By measuring success, acting on the information to further improve, and sharing the results with the rest of the company, CX leaders can ensure the contact centre always earns the *value cent*re name.

Conclusion

Customer engagement continues to be a top business priority, complete with C-suite focus and strong budget growth. That's a big reason customer engagement is an area ripe for transformation.

Metrigy's aforementioned research studies provide guidance for how CX leaders can focus on success in 2024. Consider the following:

1. **Add or improve AI-assisted self-service options.** This gives customers what they want, and also helps to offload some of agents' workload.

2. **Hire and empower a CCO.** This executive-level position helps to elevate the importance of CX. Under the CCO's guidance, companies generally select the right AI-powered applications, helping agents to meet KPIs and quotes, while reducing overall attrition rates.
3. **Evaluate, adopt, and improve workforce engagement tools.** These suites are always changing and improving, particularly with the addition of AI. Contact centres will be optimised, and agents will be more efficient.
4. **Integrate UC and contact centre platforms**. If the platforms already are integrated, determine new ways the company can benefit from bringing the contact centre agents and data to the company at large—and vice versa.
5. **Add and integrate customer interaction channels.** Voice, video, as well as non-voice digital channels are necessary in any successful contact centre. As more channels are added to the list of options, it's imperative to adopt omnichannel integration.
6. **Gather, analyse, and act upon customer insights.** Let the data be the guide to improving CX, and then evangelise success. This will ensure company leaders view or continue to view the contact centre as a value centre.

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