Come Together Over Messaging

Agents And AI Must Work In Harmony To Deliver Contextually Convenient Messaging Experiences

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Convenience Drives Customer Service Success

Today's customers expect firms to provide contextually relevant support in their moments of need. As customers turn to convenient channels like messaging for support, firms struggle to meet their expectations due to privacy concerns and an inability to see the entire customer context in the moment of support. Firms must update their processes and augment human agents with artificial intelligence (AI) to provide truly exceptional messaging experiences.

In January 2020, Nuance Communications, Inc. commissioned Forrester Consulting to evaluate the state of omnichannel support at large organizations. Through our survey of 276 customer engagement decision makers, we sought to uncover the obstacles preventing delivery of a seamless customer experience (CX) and the actions firms can take to improve customer support in their customers' most relevant channels.

Key Findings

As customers gravitate to messaging channels for support, customer engagement leaders scramble to provide meaningful and convenient experiences.

Balancing privacy and personalization within messaging channels is both a top priority and challenge for customer engagement leaders.

To deliver contextually convenient messaging experiences, firms must leverage AI to capture, store, and use context across channels as well as augment human agents.
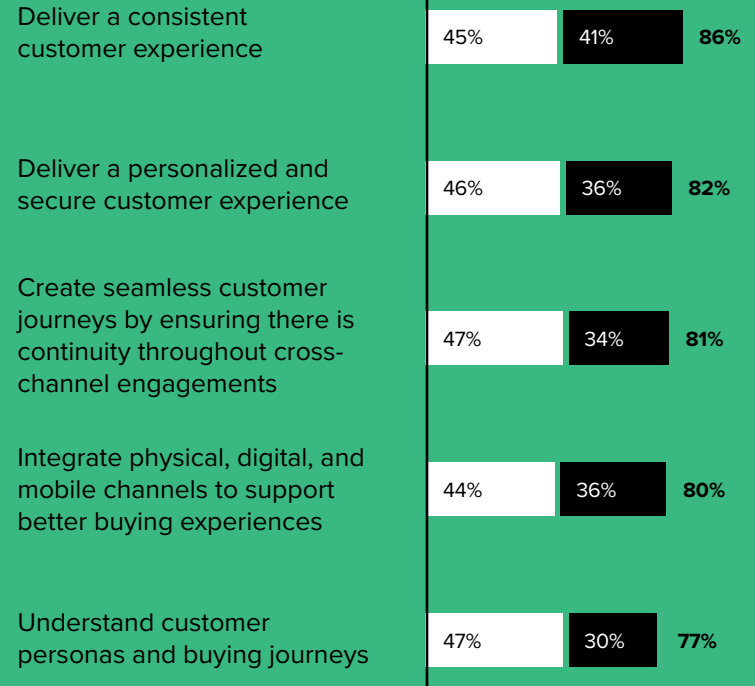
Customer Engagement Leaders And Their Customers Crave Contextual Convenience

Consumers do not want conversations with firms. They want to complete tasks easily and efficiently and feel confident and valued while doing so.[1] Fortunately, customer engagement leaders have the same end goal in mind. Their top five priorities all revolve around delivering highly relevant customer experiences. To ensure they are delivering a consistently differentiated customer experience, firms must prioritize balancing personalization with privacy, ensuring continuity throughout cross-channel engagements, and integrating online and offline experiences.

To bridge the gap between their current customer service approaches and customers' rising demands for convenience and choice, firms look to ground their strategies in an improved understanding of their customers' journeys.

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"What are your firm's omnichannel goals over the next 12 months?"

○ High priority   ● Critical priority

Deliver a consistent customer experience
45% | 41% | **86%**

Deliver a personalized and secure customer experience
46% | 36% | **82%**

Create seamless customer journeys by ensuring there is continuity throughout cross-channel engagements
47% | 34% | **81%**

Integrate physical, digital, and mobile channels to support better buying experiences
44% | 36% | **80%**

Understand customer personas and buying journeys
47% | 30% | **77%**

Firms Follow Customers' Adoption Of Messaging Platforms

Unsurprisingly, the number of customer engagement channels that firms adopt continues to grow. Our increasingly mobile-first world has accelerated customers' expectations of being served in their moments of need, in their context, and using the same channels they use for communication with friends and family.[2]

Firms scramble to be present in the channels that matter most to customers. What mobile channels do customers use every day? Messaging. Where are we seeing the largest channel adoption for customer support? You guessed it — also messaging. Most surveyed decision makers are leveraging messaging channels like native application messaging, third-party messaging platforms, and text/SMS for customer support and communications.

"Which of the following channels do you use for customer support/communications?"

62% Messaging platforms

61% Brand-owned channel (e.g., native app messaging)

52% Text/SMS

A Lack Of Context Dampens The Convenience Of Messaging Channels

As firms prioritize standing up customer support in their customers' messaging channels of choice, most lack the ability to quickly decipher customer intent.

Only about one-third of respondents have a single view of the customer and feel strongly that they can personalize interactions across the buying journey. To guide customers forward in their journeys, customer-facing agents must understand where customers have been.

People, process, and technology all play a role in enabling the capturing and sharing of customer context. For example, a chatbot can quickly decipher customer intent and connect a customer with the best agent for her request. Yet only 24% of respondents are using a blended human and AI approach within messaging platforms.

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"Please rate your level of agreement with each of the following statements as they relate to your organization's messaging maturity."
(Showing strongly agree)

37%
We are able to personalize interactions across the buying journey

34%
We have a single view of our customer

"Which of the following communication methods are you using within each channel?"

24%
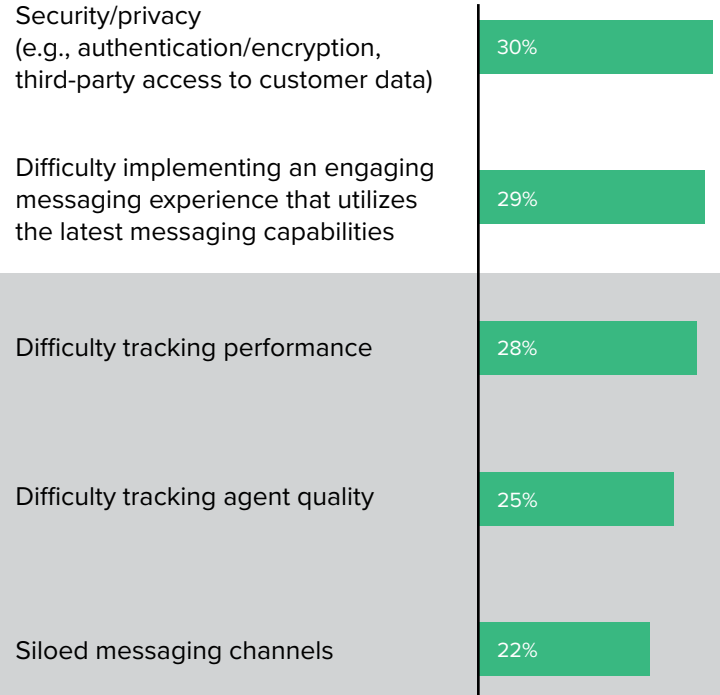We are using a blended human and AI approach within messaging platforms

The Privacy-Personalization Paradox Strikes Again

Privacy and personalization are like two star-crossed lovers. How does one truly deliver a context-driven, seamless experience while adhering to privacy regulations and respecting consumers' individual privacy preferences? Delivering a personalized and secure messaging experience is both a critical priority and a top challenge for our respondents.

One-third of US adults do not trust any firm to keep their personal information secure, and many consumers believe marketers have no respect for privacy.[3] To earn the permission to capture the personal data required to deliver contextually convenient messaging experiences, customer engagement leaders must find ways to give customers meaningful choices about the data they share and the value they receive in return.

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"Which of the following challenges do you experience with your messaging strategy?"

(Showing top responses)

Security/privacy
(e.g., authentication/encryption,
third-party access to customer data) 30%

Difficulty implementing an engaging
messaging experience that utilizes
the latest messaging capabilities 29%

Difficulty tracking performance 28%

Difficulty tracking agent quality 25%

Siloed messaging channels 22%

Base: 276 director+ digital engagement decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Nuance, April 2020

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Failure To Optimize Messaging Experiences Impacts Your Top And Bottom Line

When firms fail to provide contextually convenient messaging experiences, the impact is felt inside and outside of the organization.

Customers demand superior service and support as the price of their ongoing loyalty and patronage.[4] If their messaging experiences are disconnected or you fail to respect their privacy preferences, customers will turn to more customer-obsessed competitors.

Great experiences begin and end with employee enablement. Lack of context forces agents to have confounding interactions with customers, leaving your customers unhappy. Constant exposure to unhappy customers inevitably drives agent attrition.

The bottom line? Poor messaging experiences will result in financial underperformance.

"What business outcomes would you expect to see/ have you seen as a result of the challenges you experience with your messaging strategy?"

37%
Lower customer satisfaction/ disconnected experience

35%
Inefficient contact center operations

29%
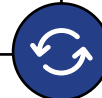Higher agent turnover

29%
Lower competitive advantage

28%
Customer churn

25%
Lost revenue

84% of respondents report experiencing/expecting to experience at least one of these challenges.

Base: 276 director+ digital engagement decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Nuance, April 2020

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A Context-Driven Experience Is A Meaningful Experience

Firms must design customer support experiences around customer context. For example, while a speech-based chatbot is often more convenient than a complex app to retrieve a bank balance or buy a pizza, a customer in a noisy public environment might prefer text. When people, process, and technology are informed by customer context, your firm is empowered to focus resources on the activities and conversations that both improve customer experience and drive revenue.

When an agent helps a customer complete a task easily and efficiently, the result is a happier and more loyal customer and a fulfilled and more efficient employee. When your firm can unlock the value and meaning from customer conversations, the result is increased competitive advantage. When your prospects and customers receive communication that is contextually convenient, the result is higher lead conversion and increased new business.

"What benefits would you expect to gain by providing a seamless, context-driven conversational experience to your customers?"

Benefit	Percentage
Improved customer experience	53%
Increased customer loyalty	51%
Improved contact center efficiency	43%
Attracting new business	38%
Improved agent engagement/ experience	34%
Higher lead conversion	34%
Staying current with industry trends/ increased competitive advantage	32%
Reduced number of voice calls	26%

Prioritize Messaging Channels For Customer Support

Customers want to use messaging channels for support, and your business will benefit if you make it easy for customers to engage you in these channels. Ninety-seven percent of respondents in this study believe that moving conversations to messaging channels will help in creating a more holistic view of their customers and improving agent productivity.

With the right technology and processes in place, moving conversations from voice to messaging makes it easier to capture and draw actionable insights from customer conversations. Using these insights to empower customer service agents will improve both agent productivity and CX. Messaging channels also offer cost savings over voice interactions, as agents can handle multiple text-based conversations at once.

Reducing voice calls by moving customers to messaging channels drives key business benefits

Helps us create a holistic view of our customer to provide a seamless CX

Helps us improve agent productivity

97%

Ability to reduce voice calls/move customers to messaging channels

Base: 276 director+ digital engagement decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Nuance, April 2020

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Hand Your Agents A Crystal Ball

In pursuit of providing a seamless CX, customer engagement leaders must create a holistic view of their customers. To do so, firms require an understanding of communication preferences and customer journeys, along with the ability to act on this knowledge.

The reality is that consumers seek convenience, and the moment of truth is when they engage with a brand. If firms want to exceed customer expectations in this moment, they must augment human agents with AI in a way that improves both the agent and customer experience. If done right, this can boost operational efficiencies and ensure ROI on the technology investment.[5] Sophisticated solutions can provide recommendations to agents based on context captured and shared across the customer journey. When firms give customers the option to engage with a conversational bot, they should also provide a clear, easy path to engage with an agent, if preferred. Finally, firms must design support processes with respect for consumer privacy in mind.

"How valuable would the following be in helping you create a holistic view of your customer to provide a seamless customer experience?"
(Showing extremely valuable)

Understanding customers' communication preferences/ preferred channels	70%
Understanding customer service journey	67%
Ability to improve agent productivity	67%
Ability to trigger proactive/outbound communications/alerts	62%
Capturing/storing context across channels	61%
Encrypted messaging	57%
Ability to reduce voice calls/move customers to messaging channels	55%
Holistic understanding of client context at moment of support	55%

Conclusion

Customers seem to expect the impossible from brands, desiring personalized service across an ever-expanding array of channels. But by combining the convenience of messaging and the power of AI, brands can provide truly differentiated customer service experiences. To achieve this, brands should:

- **Invest in messaging for both CX improvements and operational efficiency.** Consumers depend on messaging in their interactions with friends and family; increasingly, they want their favorite brands to get on board.

- **Gather and use customer context.** Knowing what a customer was just doing on another channel allows brands to create compelling personalized experiences.

- **Augment human beings with AI.** Automation and AI reduce costs, sure, but they also equip agents to better serve customers at every stage of the customer journey.

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Methodology

This Opportunity Snapshot was commissioned by Nuance Communications. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 276 customer engagement decision makers. The custom survey began and was completed in April 2020.

ENDNOTES

[1] Source: "Consumers Want Convenience, Not Conversations," Forrester Research, Inc., August 21, 2019.

[2] Source: "Twenty Mobile Trends For 2020," Forrester Research, Inc., December 8, 2019.

[3] Source: "Personalization And Trust Start With Understanding Customer Privacy Expectations," Forrester Research, Inc., October 31, 2019.

[4] Source: "Gauge Your Customer Service Maturity," Forrester Research, Inc., August 27, 2019.

[5] Source: "Stop Trying To Replace Your Agents With Chatbots," Forrester Research, Inc., April 17, 2019.

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Demographics

REGION

North America: 37%

EMEA: 37%

Other Global: 26%

COMPANY SIZE (REVENUE)

$550M to $999M: 14%

$1B to $5B: 48%

>$5B: 37%

INDUSTRY

Financial services: 19%

Retail: 18%

Wealth management: 15%

Telecommunications: 14%

Healthcare: 14%

Travel and hospitality: 10%

Insurance: 10%

SENIORITY

Director: 48%

Vice president: 16%

C-level executive: 36%

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