



The UK Customer Experience Decision-Makers' Guide 2020-21

Sponsored by



The 2020-21 UK Customer Experience Decision-Makers' Guide

© ContactBabel 2020

Please note that all information is believed correct at the time of publication, but ContactBabel does not accept responsibility for any action arising from errors or omissions within the report, links to external websites or other third-party content.

CONTENTS

Contents	3
List of Tables	5
Introduction and Methodology.....	9
Segmentations	11
How Important is Customer Experience to Organisations?	14
How Do Organisations Compete?	14
CX Governance.....	17
How has the Pandemic Affected Customer Experience?	19
The State of the Industry: April 2020	22
CX Budget, ROI & Investment	25
Main Aims of the CX Improvement Programme	25
CX Investment: People, Process, Technology.....	29
CX Investment: Channel Focus.....	31
Corporate Support for the CX Programme.....	37
Technology	42
Current and Future Use of Customer Contact Technology	42
Effect of Technology on the Customer Experience	45
Are Technology Issues Holding Back Customer Experience?	45
Does CX Technology affect customer experience?	48
The Role of Analytics in Customer Experience	52
What Does CX Mean to a Customer?.....	53
The View from the Business.....	53
The View from the Customer	57
First-contact resolution Rates & Customer Experience.....	60
Omnichannel and the Customer Experience.....	64
Live or Automation?	64
The View from the Business.....	65

The View from the Customer	66
Omnichannel: the consumer's choice	67
High Emotion Interactions	71
High Urgency Interactions.....	73
High Complexity Interactions	75
CX Benchmarking	77
Customer Surveys	77
Employee Feedback	81
Complaint Analysis.....	82
Speech Analytics	87
Voice of the Customer Analytics	88
Mystery Shopping	89
The Use of CX Benchmarking Methods	90
CX Future Strategy	99
The Importance of CX Developments	99
Conclusion: CX Strategies.....	100
About ContactBabel.....	103

LIST OF TABLES

Figure 1: Survey respondents by vertical market (count and percentage) 11

Figure 2: Survey respondents by B2B / B2C (count and percentage)..... 12

Figure 3: Survey respondents by contact centre size (count and percentage)..... 12

Figure 4: Survey respondents by annual revenue (count and percentage)..... 13

Figure 5: Importance of the factors on which your organisation competes (ranked) - B2B..... 14

Figure 6: Importance of the factors on which your organisation competes (ranked) - B2C..... 15

Figure 7: Most important factor on which your organisation competes, by vertical market 16

Figure 8: Level of highest CX professional in the organisation, by company revenue 17

Figure 9: If applicable, who does the most senior CX professional report to? (by revenue)..... 18

Figure 10: To what extent have COVID-related business or operational issues affected customer experience? 19

Figure 11: Severity of pandemic-related customer experience issues 20

Figure 12: The effect of the coronavirus crisis on headcount (early April 2020)..... 22

Figure 13: The effect of the coronavirus crisis on remote working (early April 2020) 23

Figure 14: The effect of the coronavirus crisis on customer contact levels (early April 2020) 24

Figure 15: What are the main aims of your CX improvement programme? 25

Figure 16: Most important aim of CX improvement programme, by vertical market..... 26

Figure 17: Most important aim of CX improvement programme, by B2B/B2C focus 27

Figure 18: Most important aim of CX improvement programme, by revenue..... 28

Figure 19: Investment in CX improvements, by revenue 29

Figure 20: Investment in CX improvements, by B2B / B2C focus 30

Figure 21: Investment in CX improvements, by contact centre size 30

Figure 22: Inbound interactions by channel..... 31

Figure 23: Inbound interactions by channel, by vertical market 32

Figure 24: How do you think inbound channels will change in your contact centre in the next 12 months?..... 33

Figure 25: Investment in CX channel, by vertical market 34

Figure 26: Investment in CX channel, by B2C / B2B focus..... 35

Figure 27: Investment in CX channel, by revenue 36

Figure 28: How well does your organisation currently support your CX programmes?..... 37

Figure 29: How well does your organisation currently support your CX programmes? (B2B respondents).....	38
Figure 30: How well does your organisation currently support your CX programmes? (B2C respondents).....	39
Figure 31: How well does your organisation currently support your CX programmes? (budget / resources) – by revenue.....	40
Figure 32: How well does your organisation currently support your CX programmes? (CX technology) – by contact centre size	41
Figure 33: Technology penetration and implementation plans	42
Figure 34: Top 5 most important areas of contact centre IT expenditure in the next two years (proportion of contact centres placing solution in their top 5, 2015-19).....	43
Figure 35: To what extent is legacy technology holding back customer experience? (by contact centre size).....	45
Figure 36: To what extent is the lack of a single view of the customer across channels holding back customer experience? (by contact centre size)	46
Figure 37: To what extent is the lack of sufficient IT resources or budget holding back customer experience? (by contact centre size)	47
Figure 38: What effect does technology have on your customers’ experience?	48
Figure 39: Usefulness of analytics for improving CX	52
Figure 40: What do you believe is the importance of these factors to a customer when contacting your organisation?	53
Figure 41: What do you believe is the importance of these factors to a customer when contacting your organisation? (B2B)	54
Figure 42: What do you believe is the importance of these factors to a customer when contacting your organisation? (B2C)	55
Figure 43: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by age range).....	57
Figure 44: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by socioeconomic group)	59
Figure 45: First-contact resolution rate (2004 - 2020)	61
Figure 46: Use and effectiveness of first-call resolution measurement methods.....	62
Figure 47: Proportion of call-backs due to downstream business failures, by contact centre size	63
Figure 48: Would your customer base prefer to speak with a person or use automation, if the outcome were the same? (B2B / B2C)	65
Figure 49: Would you prefer to speak with an agent or use automation, if the outcome and time were identical? (by age range).....	66

Figure 50: The Customer Interaction Cube and suggested associated channels.....	68
Figure 51: Preferred method for contacting a company (high emotion interaction), by age range....	71
Figure 52: Preferred method for contacting a company (high emotion interaction), by socio-economic group	72
Figure 53: Preferred method for contacting a company (high urgency interaction), by age range	73
Figure 54: Preferred method for contacting a company (high urgency interaction), by socio-economic group	74
Figure 55: Preferred method for contacting a company (high complexity interaction), by age range	75
Figure 56: Preferred method for contacting a company (high complexity interaction), by socio-economic group	76
Figure 57: Proportion of customer surveys gathered by method	79
Figure 58: Proportion of calls received that are complaints / target of complaints (mean average), 2010-20.....	84
Figure 59: Proportion of calls that are complaints about the contact centre, 2010-20	85
Figure 60: How is a dissatisfied customer contacted? (by B2B / B2C)	86
Figure 61: Usefulness of CX learning methods.....	90
Figure 62: Usefulness of CX benchmarks	92
Figure 63: Net Promoter Score by selected vertical market	93
Figure 64: Quality score – actual and target	94
Figure 65: Customer satisfaction score – actual and target	95
Figure 66: CX metric upon which the Board / senior management most judge the success of the CX programme	96
Figure 67: CX metric upon which the Board / senior management most judge the success of the CX programme, by organisation revenue	97
Figure 68: Are customer-facing employees financially rewarded based on any CX factors? (B2B / B2C)	98
Figure 69: Importance of CX developments in the next 2 years	99

Intelligent customer engagement powered by AI.

Exceed customer expectations by combining the best of automated and human-assisted services powered by AI and secured by biometrics. Provide effortless engagement that will improve customer satisfaction and brand loyalty, while driving revenue and reducing costs.

Nuance delivers engagement solutions that you, your agents and your customers will love:

- **Conversational IVR**
- **Biometric authentication and fraud prevention**
- **Digital customer engagement through virtual assistants and live chat**
- **Contact centre tools and analytics**

Whether cloud or on-premise, DIY or full service, we're ready to help you create interactions that will propel your brand to new heights!

Get to know the Nuance intelligent engagement portfolio. Visit www.nuance.co.uk or email us at cxexpertsEMEA@nuance.com.





Nuance Communications is the pioneer and leader in conversational AI innovations that bring intelligence to everyday work and life.

We deliver solutions that can understand, analyse and respond to human language to increase productivity and amplify human intelligence.

With decades of domain and artificial intelligence expertise, we work with thousands of organisations – in global industries that include financial services, telecommunications, healthcare – to create stronger relationships and better experiences for their customers and workforce. We are reinventing the relationship between people and technology.

At Nuance, we believe in the power of intelligent systems, and quite specifically what that power can do for you. Our innovations in voice, natural language understanding, reasoning and systems integration come together to create more human technology.

Contact:

Corporate HQ

a: 1 Wayside Road, Burlington, MA 01803

t: 781-565-5000

International HQ

a: Nuance Communications Ireland Limited, 20 Merrion Road, Ballsbridge, Dublin 4, Ireland

t: +353 1 513 2500

w: www.nuance.com

INTRODUCTION AND METHODOLOGY

The "*UK Customer Experience Decision-Makers' Guide (2020-21 – 3rd edition)*" is a major annual report studying the CX strategy, performance, operations and technology aspects of UK organisations.

Taking a random sample of the industry, a detailed structured questionnaire was answered by 206 senior CX and customer contact professionals between May and July 2020. Analysis of the results was carried out in August 2020.

Additionally, a survey of 1,000 UK consumers was carried out in July 2020 in order to understand their attitudes to elements of businesses' CX programmes and what they understand a positive customer experience to be.

ContactBabel is grateful for the support received from the sponsors of the report. Complete editorial independence has been maintained at all stages, and readers can be confident about the objectivity of the report's findings.

Third-party White Papers, case studies and thought leadership pieces may also be referenced to assist readers who may wish to look more in-depth at specific areas or to gain another viewpoint.

SEGMENTATIONS

Looking at headline figures for CX statistics gives a certain level of insight, but only with a clear understanding of how and why metrics differ between operations can readers see where they stand compared to their competitors.

As such, key statistics have been segmented in many different ways where relevant and possible:

- by vertical market (industry sector)
- by contact centre size (overall UK agent positions)
- by organisational type (e.g. B2C or B2B)
- by annual revenues.

Figure 1: Survey respondents by vertical market (count and percentage)

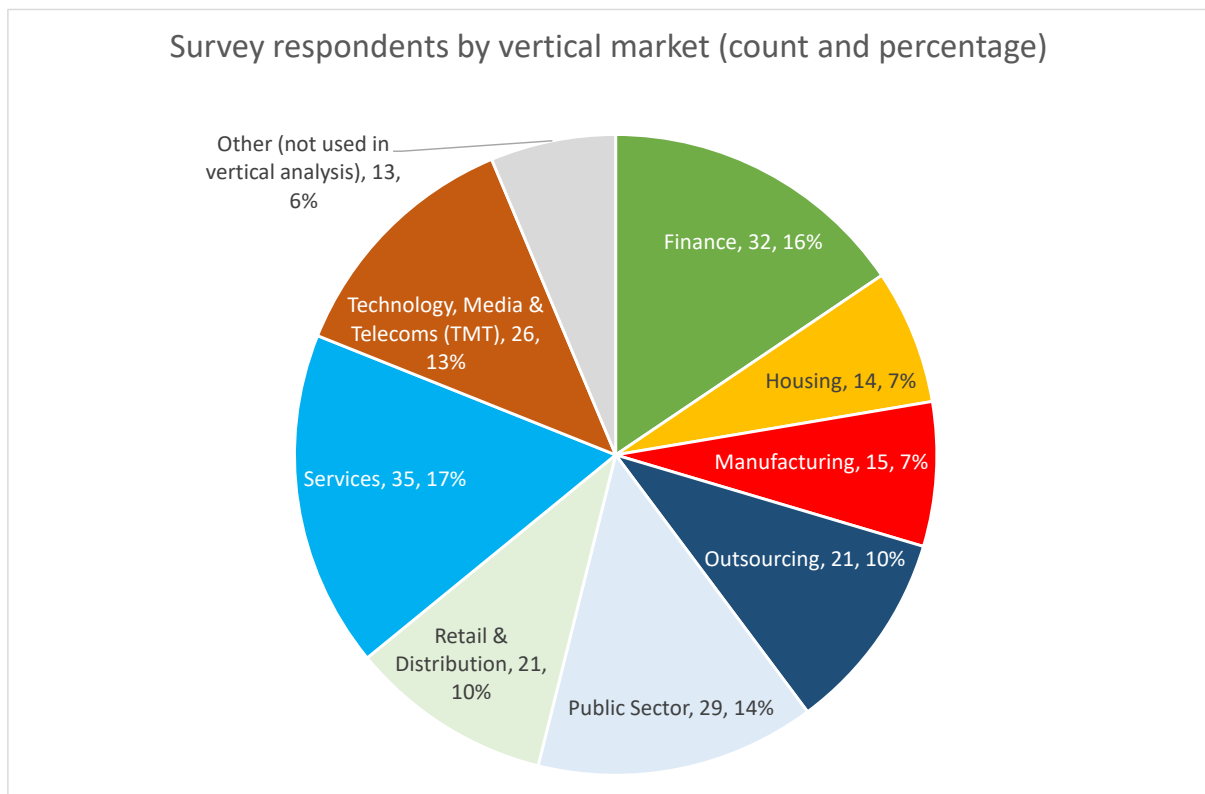


Figure 2: Survey respondents by B2B / B2C (count and percentage)

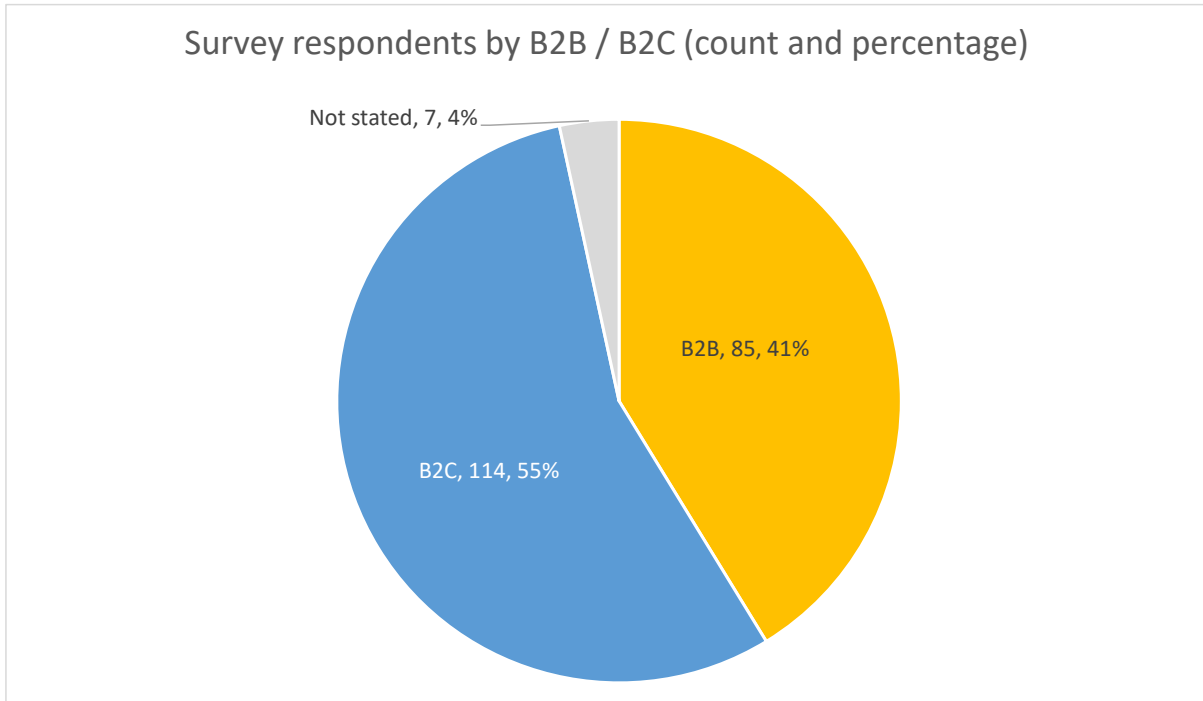


Figure 3: Survey respondents by contact centre size (count and percentage)

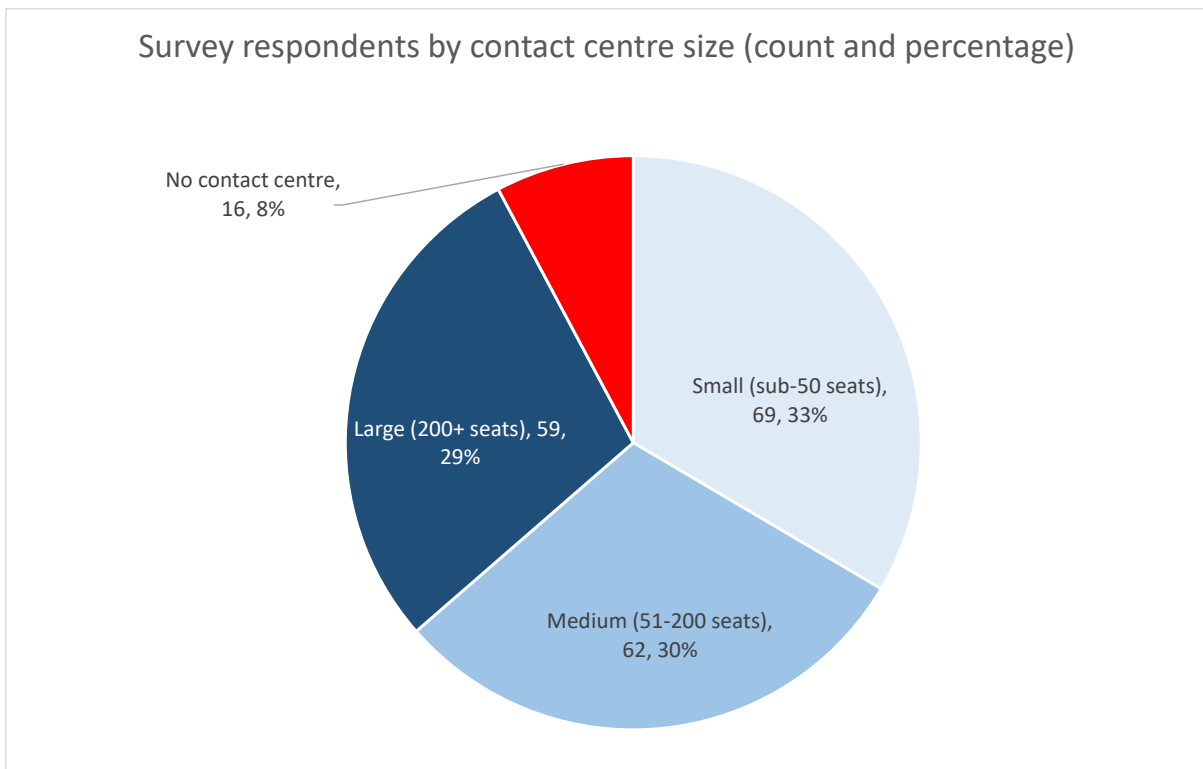
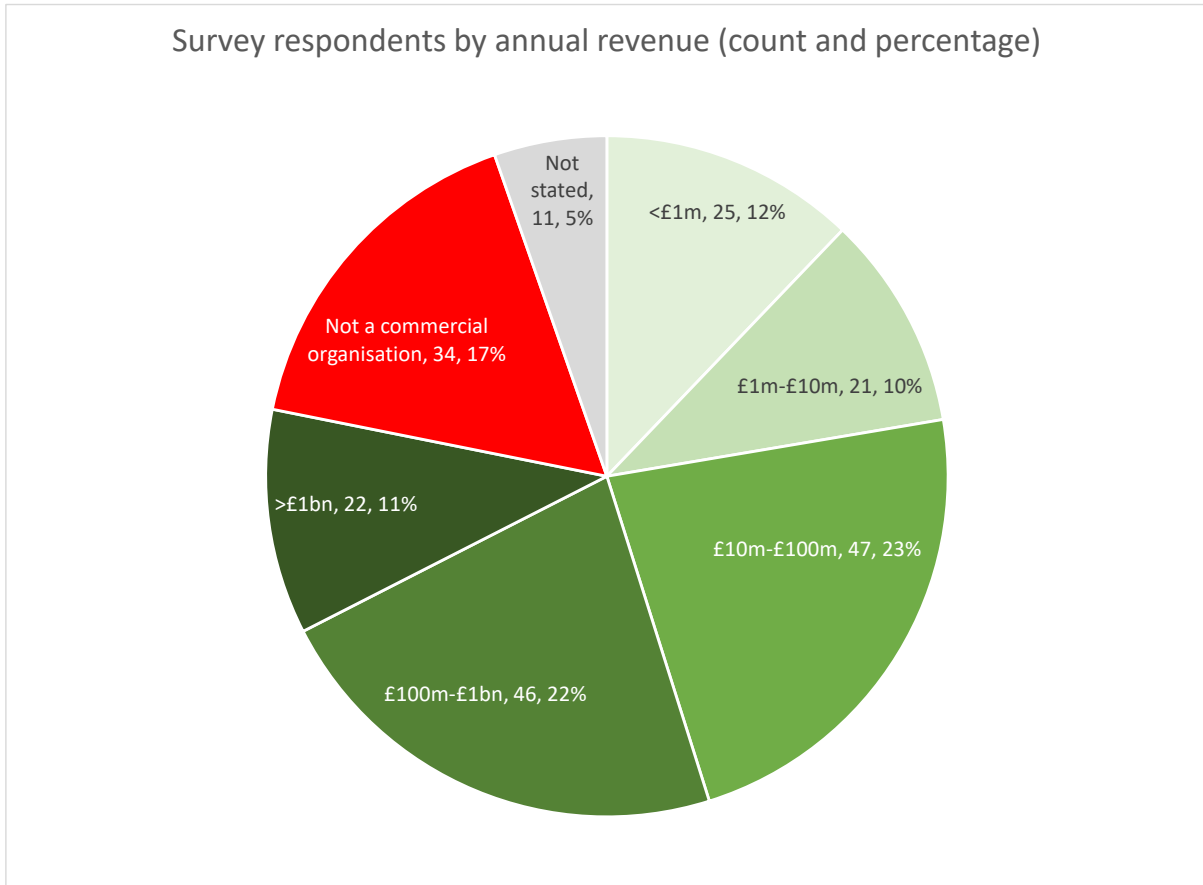


Figure 4: Survey respondents by annual revenue (count and percentage)



HOW IMPORTANT IS CUSTOMER EXPERIENCE TO ORGANISATIONS?

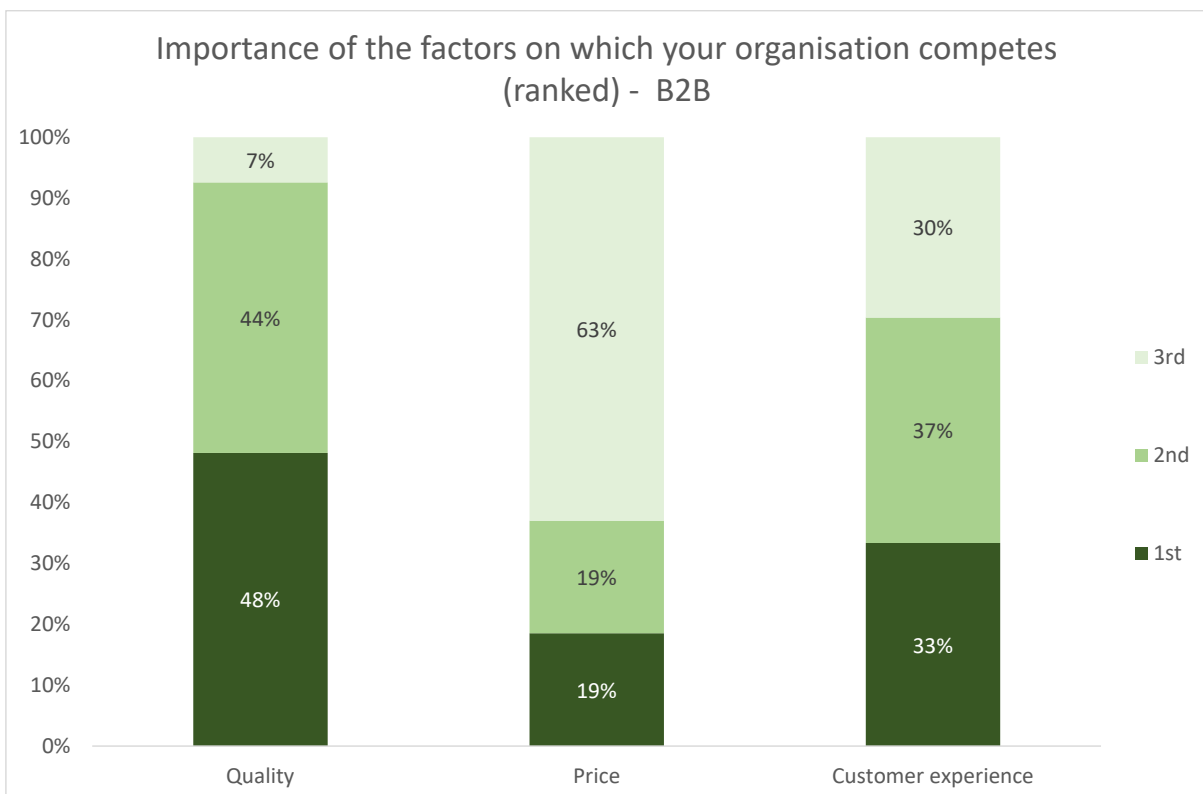
HOW DO ORGANISATIONS COMPETE?

The fundamental purpose of a commercial organisation is to maximise profit for its shareholders. There are typically two main ways in which this is achieved: through increasing revenue and reducing cost.

In the past, the majority of business focus was upon the variables over which there could be a large measure of control, such as managing the internal cost of production and service provision, employee salaries, price setting and sales resource allocation. More recently, the increasing use of technology in almost every part of an organisation has created an unprecedented amount of data that may be analysed. At the same time, large-scale advertising and widespread use of the Internet has made customers more aware of alternative products and services, meaning greater price competition and the need for companies to differentiate in ways that don't damage their bottom-line.

The main ways in which organisations have competed to win business is either through a low cost product or service, or through selling goods of a higher quality (whether real or perceived) which allows greater flexibility in pricing. More recently, as the customer is increasingly held at arm's length to the business (through the use of home shopping, contact centres or websites), the overall customer experience has become a battleground upon which to win customer favour.

Figure 5: Importance of the factors on which your organisation competes (ranked) - B2B



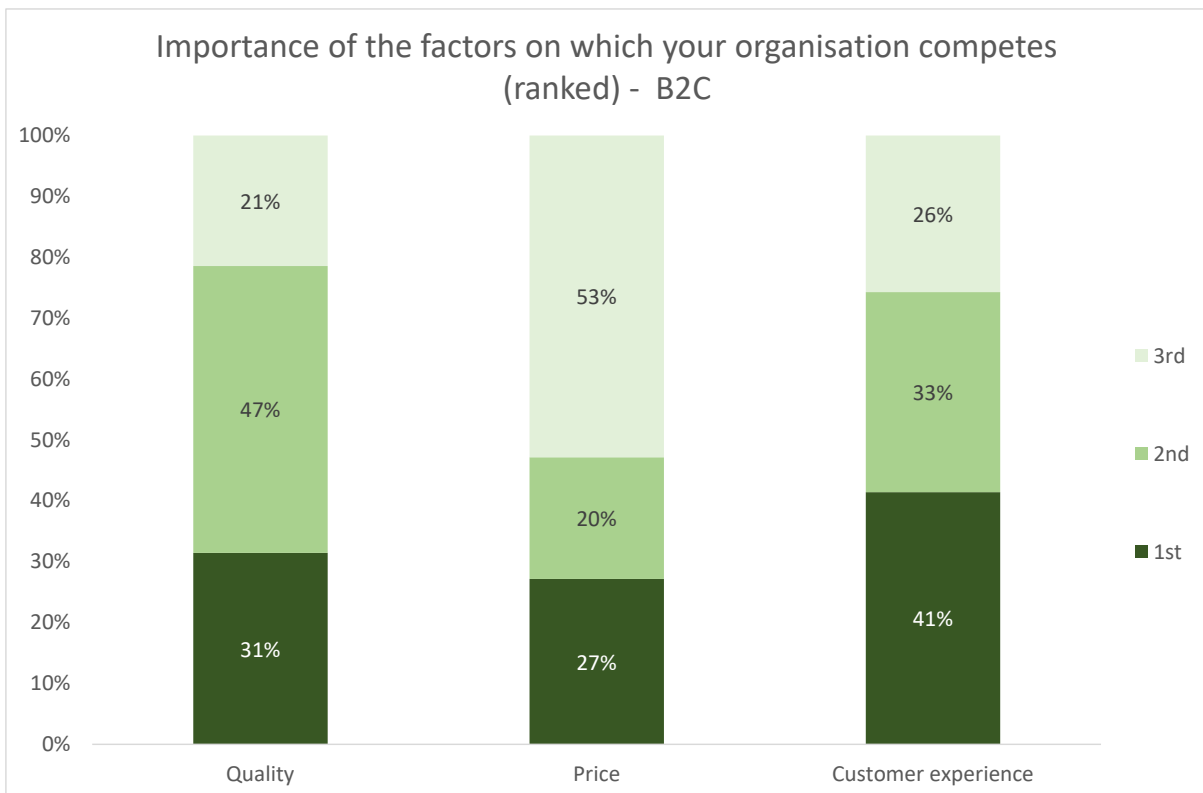
Survey respondents were asked how their organisation competed, ranking three factors in order of importance: quality, price and customer experience.

As competition on price tends to mean lower profit margins for all of the companies in that sector, it is unsurprising that only 19% of B2B respondents placed this factor in first place (although this is a rise on last year’s figure of 4%). 27% of B2C companies stating that their organisation competed primarily on price, which can be explained by the generally greater price sensitivity amongst consumers rather than businesses.

48% of B2B organisations, and 31% of B2C respondents stated that their primary competitive factor was quality. Interestingly, 41% of B2C respondents stated that customer experience was their primary means of gaining competitive advantage.

For around 40% of all businesses to say that customer experience, rather than price or quality, was the main factor upon which they wish to compete in the market can be seen as being very significant and indicative of the mindset of senior business leaders in the UK: many organisations are now seeing customer experience as being the key to profitability. However, it remains to be seen how the upcoming economic challenges will alter strategies.

Figure 6: Importance of the factors on which your organisation competes (ranked) - B2C

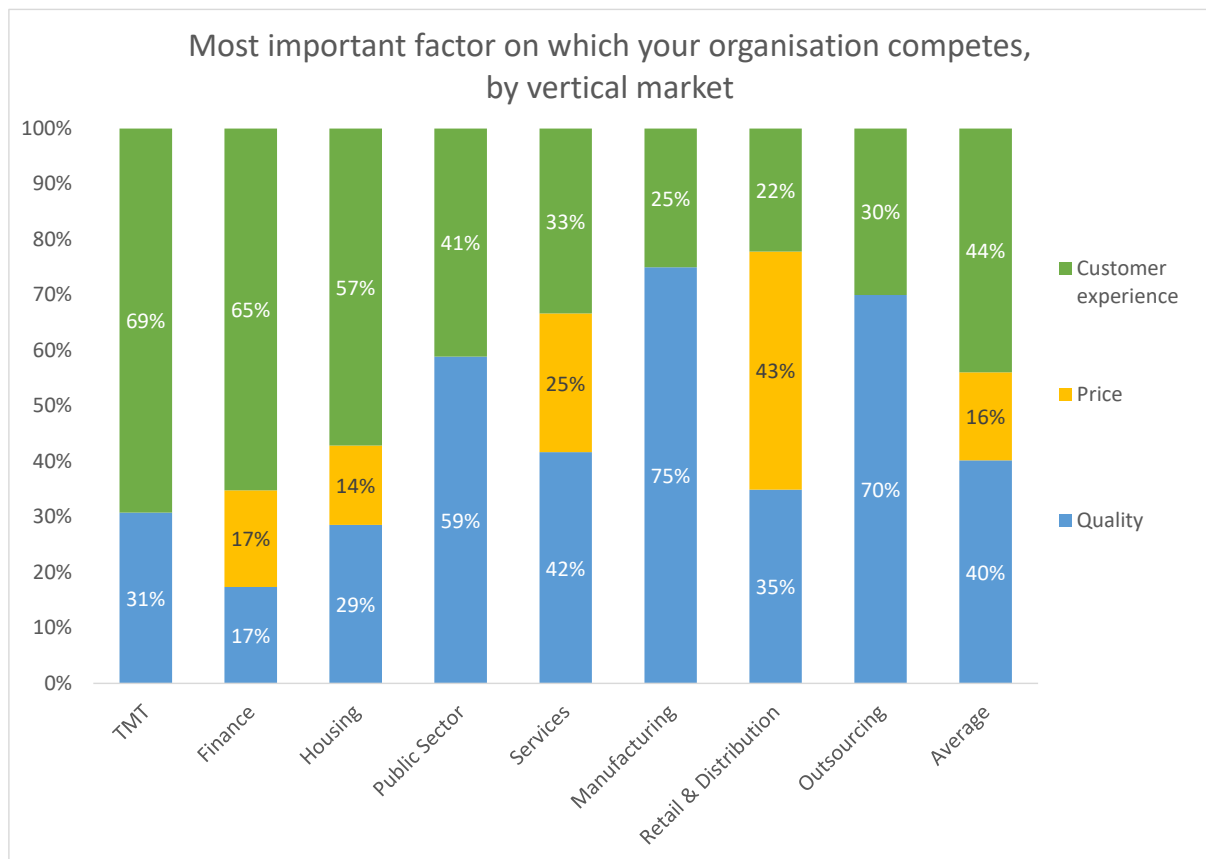


It is important to bear in mind that due to the increased segmentation of data, sample sizes for each vertical market are considerably smaller than those in the previous B2B/B2C analysis. However, it is interesting to speculate how the nature of the actual business may impact upon competitive differentiators.

69% of TMT respondents and 65% of finance organisations stated that customer experience is their key competitive differentiator: in these service-focused sectors, 'quality' is often an intangible concept.

The outsourcing sector also wishes to compete on quality and customer experience rather than cost, due to the importance of maintaining its profit margins.

Figure 7: Most important factor on which your organisation competes, by vertical market



The retail & distribution sector competes more frequently on price, particularly in low-cost, commoditised products that make up the bulk of many retailers' sales. A successful model of internet-based retail relies upon self-service, and although this is an important part of the overall customer experience, many consumers will visit the site in the first place looking for the lowest price for a product that they have already decided to purchase.

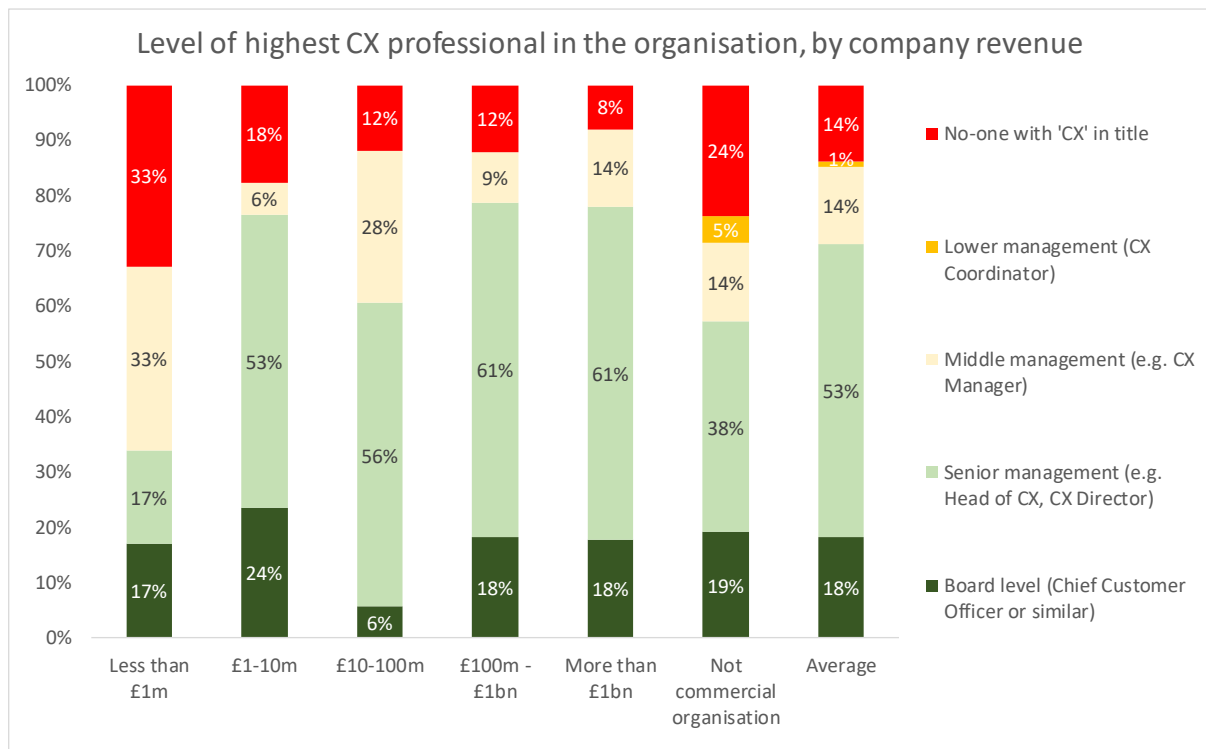
There is little pattern shown when data are segmented by company revenues.

CX GOVERNANCE

A question was asked to survey respondents about who in their organisation was responsible for customer experience. Governance shows how seriously CX is being taken, and how capable organisations will be of driving radical CX programmes which are likely to impact on many existing fiefdoms.

The chart below shows clearly that small organisations are far less likely to have a dedicated customer experience professional working within them. Even in the very largest organisations surveyed, only 18% had a CX professional at board level, although there is often representation for CX at very senior management level.

Figure 8: Level of highest CX professional in the organisation, by company revenue

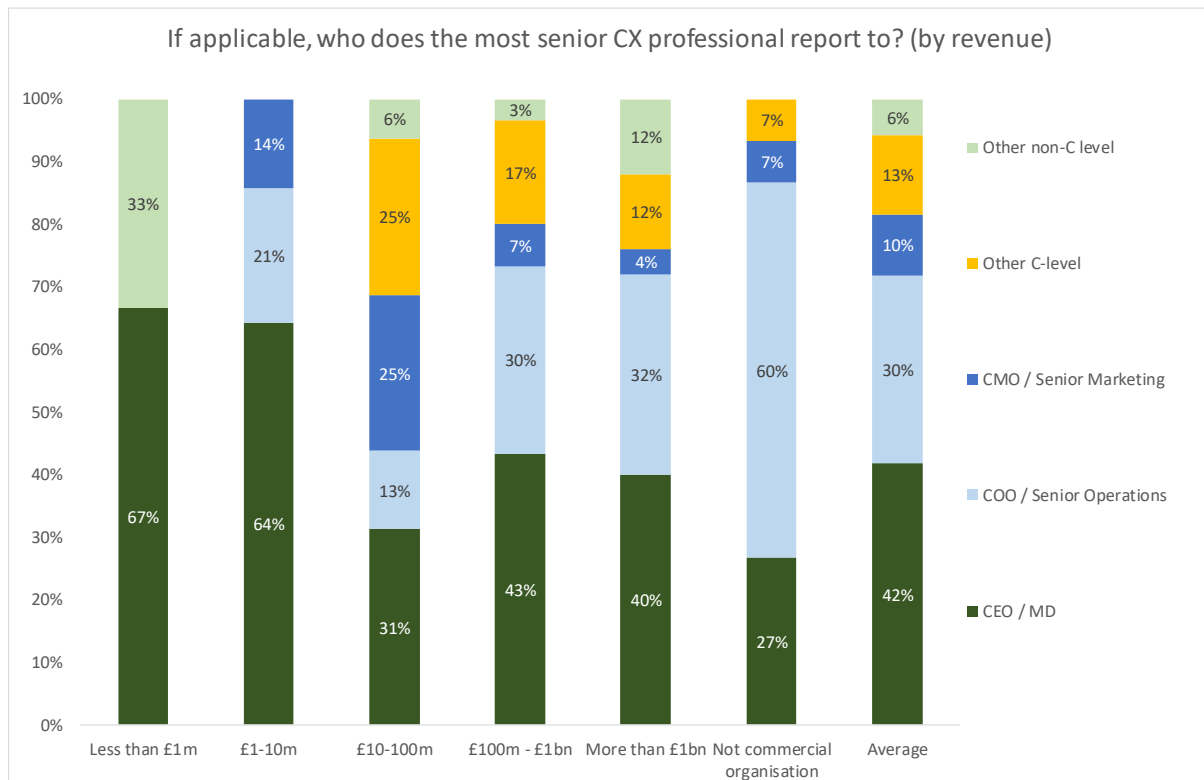


In order to get a better understanding of how the role of customer experience management is seen within an organisation, the question was asked to survey respondents that had dedicated customer experience management professionals, to whom within the organisation that person directly reported.

As expected, the top CX professional within organisations with small revenues will tend to report directly to the CEO as there will be a relatively flat structure in place. This tendency to report to the most senior member of the company decreases as organisational revenue increases and new layers of management emerge, although it is worth noting that 40% of respondents with more than £1bn in revenue reported that their most senior CX professional still had a direct report to the CEO.

However, in larger organisations – and especially those which are not commercial operations – many senior CX professionals report to the head of operations, with around 1 in 7 reporting to other C-level executives and 10% reporting to the head of marketing.

Figure 9: If applicable, who does the most senior CX professional report to? (by revenue)

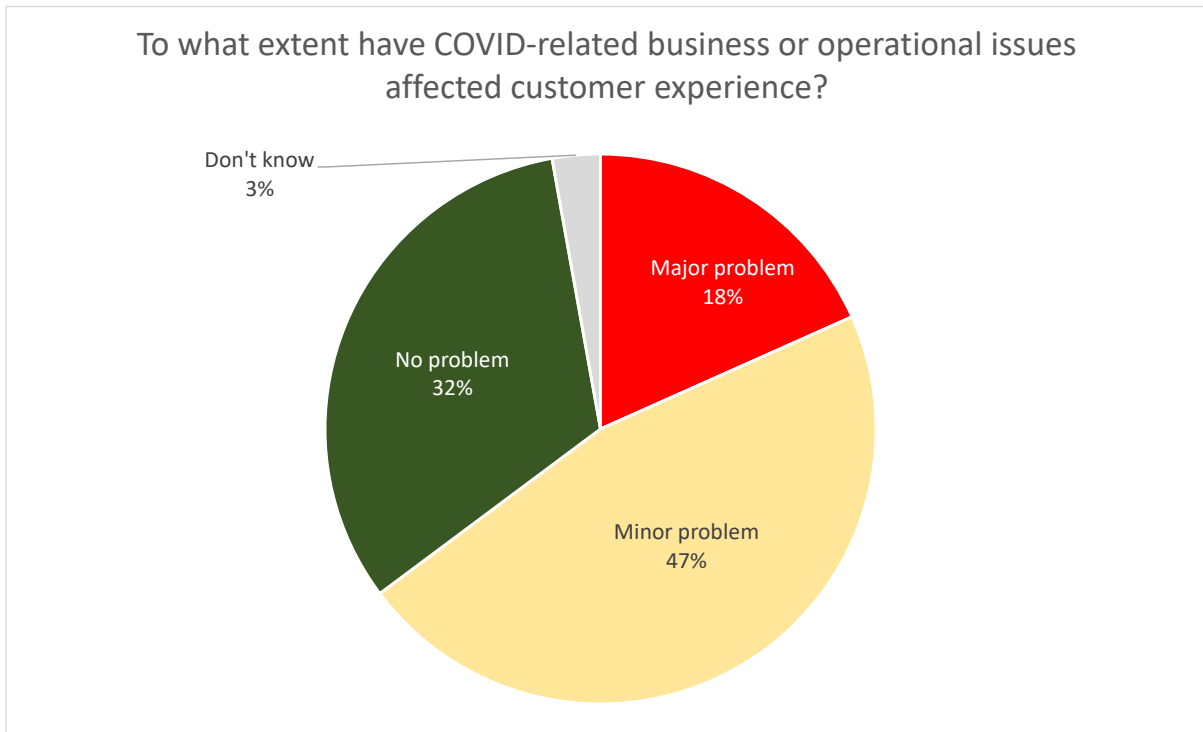


HOW HAS THE PANDEMIC AFFECTED CUSTOMER EXPERIENCE?

This section of the report looks at the effect of the coronavirus pandemic crisis on the UK contact centre industry, and on customer experience in particular.

18% of survey respondents stated that the pandemic had caused major problems for CX, and a further 47% noted minor problems.

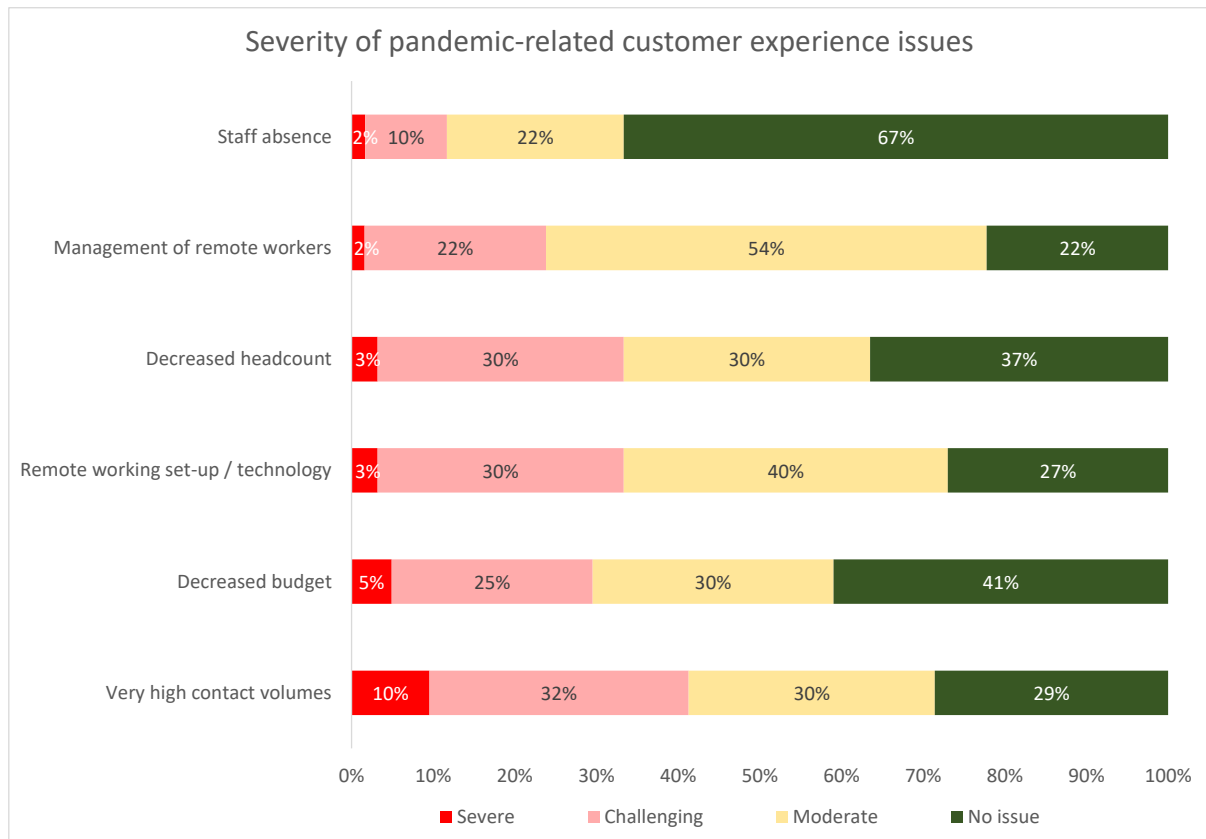
Figure 10: To what extent have COVID-related business or operational issues affected customer experience?



Looking more deeply at what the pandemic-related issues were, the greatest CX problems were caused by decreased budgets (as organisations hoarded their cash reserves), decreased headcount (through furloughing and laying-off staff), issues with managing remote workers, and through an increase in contact volumes caused by customers of some organisations urgently needing to make contact.

However, very few respondents reported that they believed many of these issues to be severe.

Figure 11: Severity of pandemic-related customer experience issues



Further findings around pandemic-related problems include:

Remote working technology:

- 45% of large contact centres reported challenging or severe issues with remote working technology, compared to 19% of contact centres with fewer than 50 seats
- Some IT departments were unprepared, so they were forced to switch off the telephony and move to email and social media only
- One business commented that remote working is successful for most parts of the business although the contact centre is the most challenging. Moving forward, working locations may be 60/40 home/office in future, with the contact centre more likely to be 50/50
- Those already using cloud-based solutions found few major issues with moving to homeworking.

Very high call volumes:

- 75% of retail respondents stated that contact volumes were either severe or challenging
- 90% of manufacturing respondents stated that contact volumes were either moderate or of no issue
- 51% of B2C operations reported call volumes as being challenging or severe, compared to only 24% of B2B respondents
- Survey respondents' comments included:
 - Outsourcers note that although some clients saw a decrease in volumes, this was more than matched by an increase in others, although there was a certain amount of inflexibility on the side of large clients to adopt new working practices
 - Some businesses had to make the choice to suspend some business-as-usual services in order to free up capacity to service COVID-shielded clients
 - As the pandemic becomes assimilated into normal life, consumer expectations of service have now reverted to pre-COVID levels
 - Service levels have proven very difficult to meet due to a combination of furloughed staff, high contact volumes and decreased budgets.

Management of remote workers:

- Very few problems reported across any segment, although it was noted that some of the necessary workarounds put in place quickly to enable homeworking are now starting to creak

Staff absence:

- Very few problems reported across any segment
- Some respondents reported improved absenteeism rates as all of their staff were working from home.

Decreased headcount:

- Public sector and outsourcing reported very few issues with issues arising through a decline in headcount (e.g. through furloughing)
- Some respondents noted a recruitment freeze due to concerns about the economic effect of the pandemic

Decreased budget:

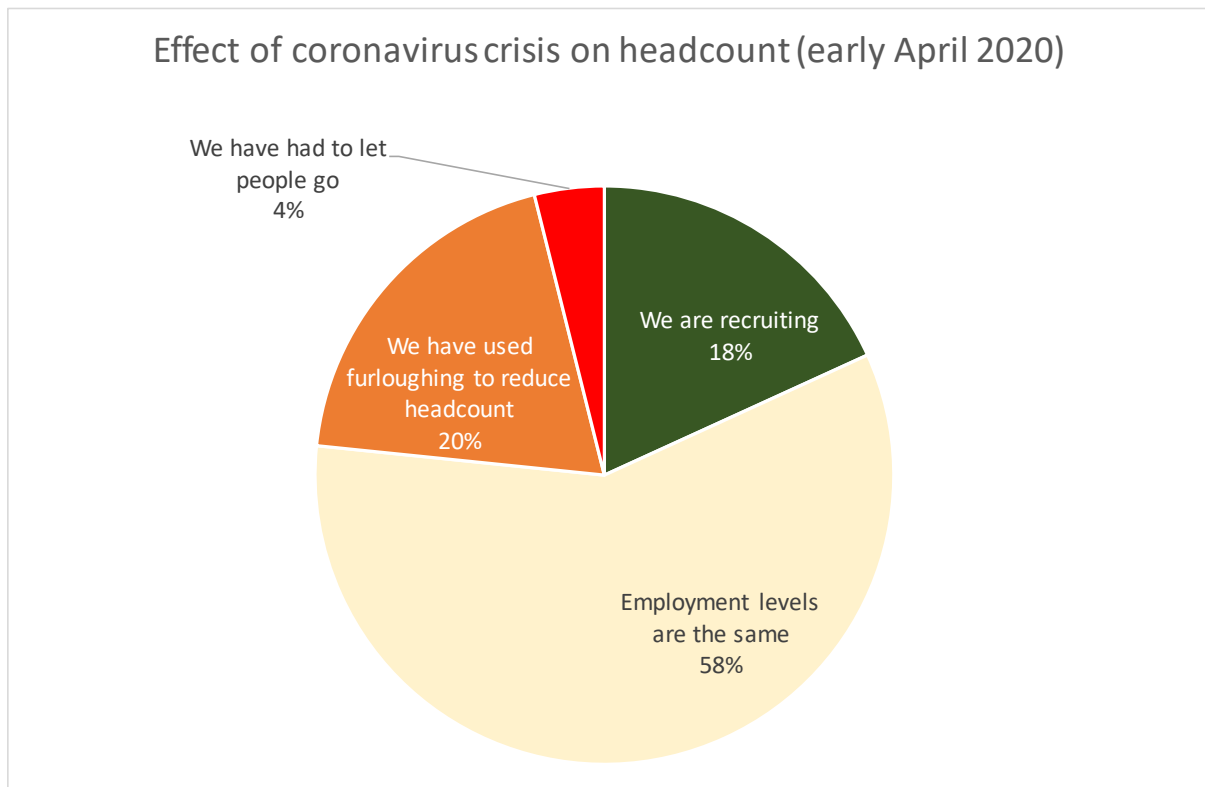
- Only 30% of survey respondents from the small centre size band reported no CX issues arising from decreases in budget.

THE STATE OF THE INDUSTRY: APRIL 2020

In April 2020, [Channel Doctors](#) ran a short, rapid-response survey for UK contact centres to gauge some of the changes that were taking place in the industry due to coronavirus, including headcount, absence, remote working and customer contact levels. The following section provides the results of these questions: although the sample size is only 77 contact centres, the survey gives a flavour of what was happening in the industry at this time and should be read in conjunction with the previous section to give a good idea about how the pandemic has affected UK customer experience.

Survey respondents were slightly negative about the effect of coronavirus on their headcount: although 4% had made staff redundant, more than four times as many were planning to use the government’s coronavirus job retention scheme, and had furloughed some or all of their staff. 18% of respondents were actively recruiting new staff.

Figure 12: The effect of the coronavirus crisis on headcount (early April 2020)



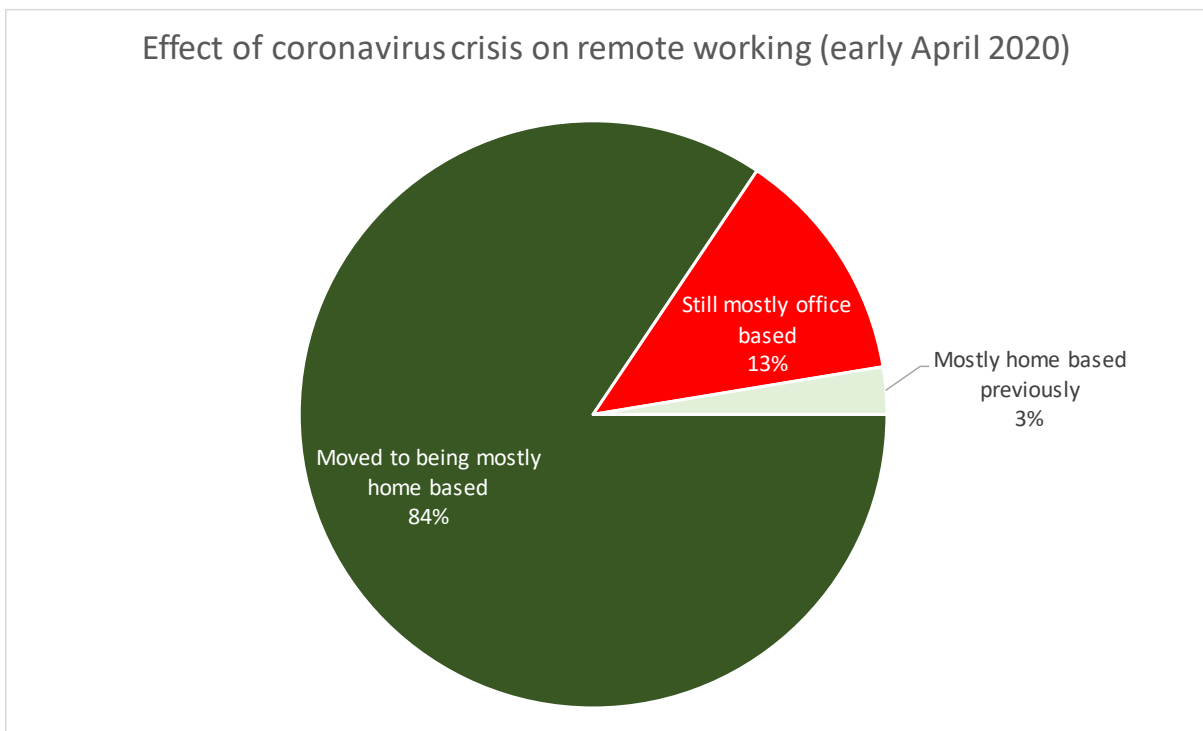
Perhaps the greatest effect of coronavirus on the contact centre industry was the enormous shift to home-based agents.

84% of survey respondents reported that they had moved from a centralised office environment to being mainly home-based, with 13% still mainly based within a contact centre, and 3% of respondents previously having a remote agent environment.

These figures should be compared with a 2019 ContactBabel survey of over 200 UK contact centres, which found that while 26% of operations had some homeworking capability, only 3.8% of UK agents were actually based at home.

Clearly, there had been an extreme and dramatic move to a widespread remote working environment within the space of a few weeks.

Figure 13: The effect of the coronavirus crisis on remote working (early April 2020)



The final chart in the short survey is perhaps the most interesting. From a typical consumer’s perspective, the difficulty in getting through to a contact centre in the time of the coronavirus crisis seemed to prove that call volumes had increased hugely across the board. Digital channels also set very low customer expectations, with the typical quoted email response rate being measured in many days.

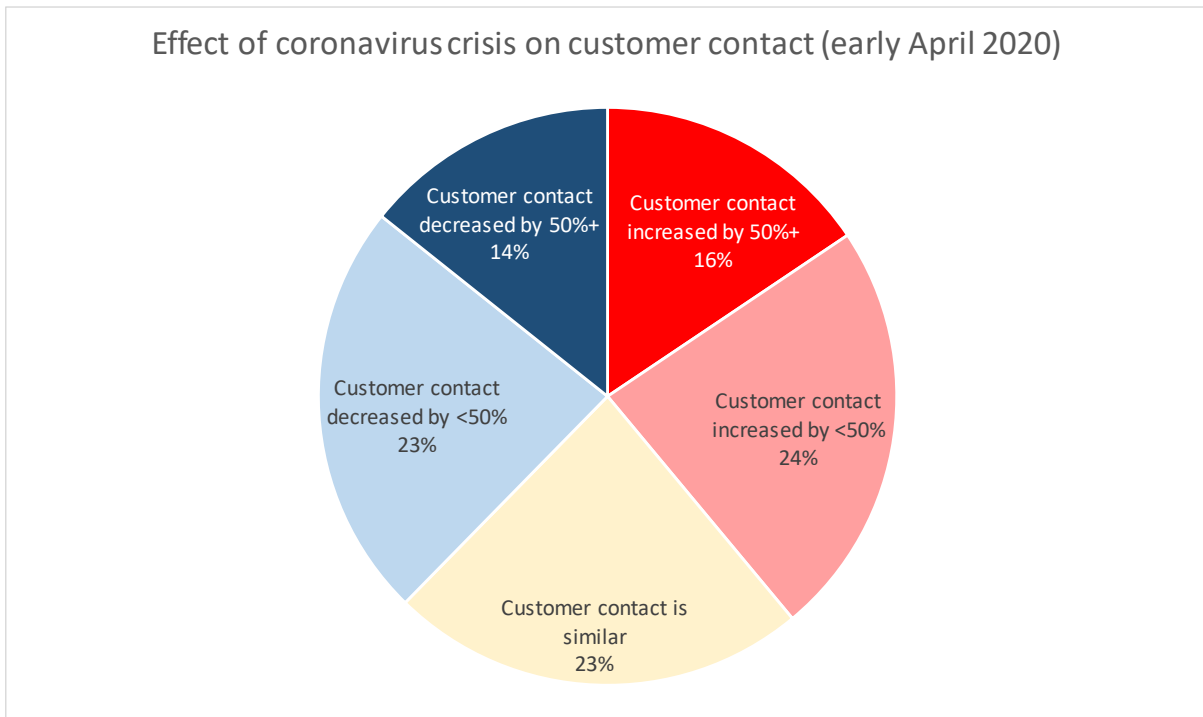
In fact, these data suggest something of a different picture: whereas businesses such as banks, supermarkets, travel and telecoms may well have experienced increased call volumes, other sectors – for example, the claims department of car insurers, luxury goods retailers and public transportation providers – were likely to have far lower than normal contact volumes.

Additionally, there may well be other factors impacting upon poor customer contact outcomes, such as:

- increased call lengths (due to very different types of query)
- longer after call wrap-up (due to lack of agent familiarity with remote systems)
- depleted resource (due to staff absence, redundancies or furloughing)
- shorter working hours.

Judging by the chart below, it seems fair to say that for every survey respondent whose customer contacts had increased, there are almost as many that had seen a corresponding decrease.

Figure 14: The effect of the coronavirus crisis on customer contact levels (early April 2020)



CX BUDGET, ROI & INVESTMENT

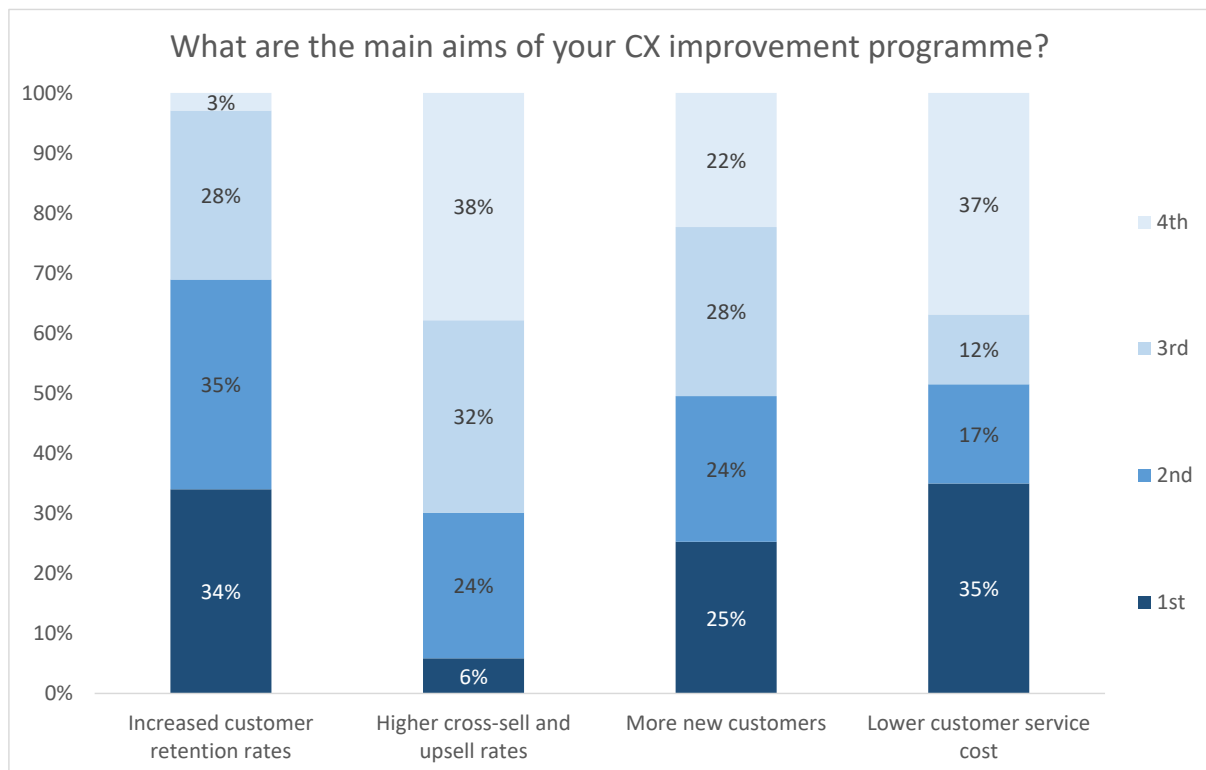
MAIN AIMS OF THE CX IMPROVEMENT PROGRAMME

Survey respondents were asked to rank in importance the main aims of the customer experience programme from the following options:

- to increase customer retention rates and loyalty
- to reduce the cost of serving the customer
- to increase the number of customers they had
- through cross-selling and upselling, to increase the revenue per customer.

69% of respondents placed increase customer retention rates in the first or second position, suggesting that one of the long established aims of CRM – customer loyalty – is a major target for most companies’ customer experience programmes.

Figure 15: What are the main aims of your CX improvement programme?



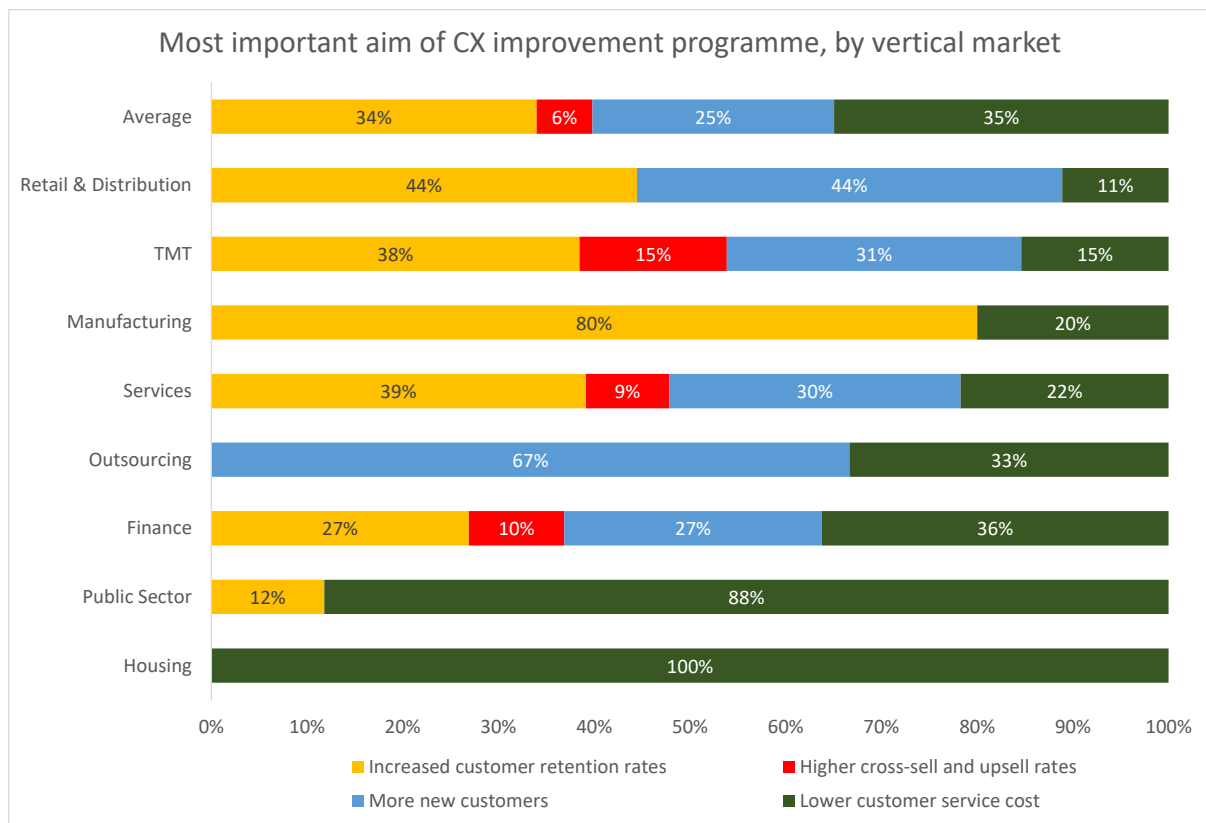
While caution should be applied when looking at the vertical market figures below (due to the relatively small sample sizes in some of the sectors), there are a few interesting conclusions that can be drawn.

The majority of manufacturing respondents surveyed stated that the most important aim of the customer experience improvement programme was to improve customer retention rates. In a B2B environment where order values can be very high and the number of customers comparatively lower than for many B2C companies, each individual client can be very important.

Many outsourcers are employed by clients to win new business and this focus is very clear to see.

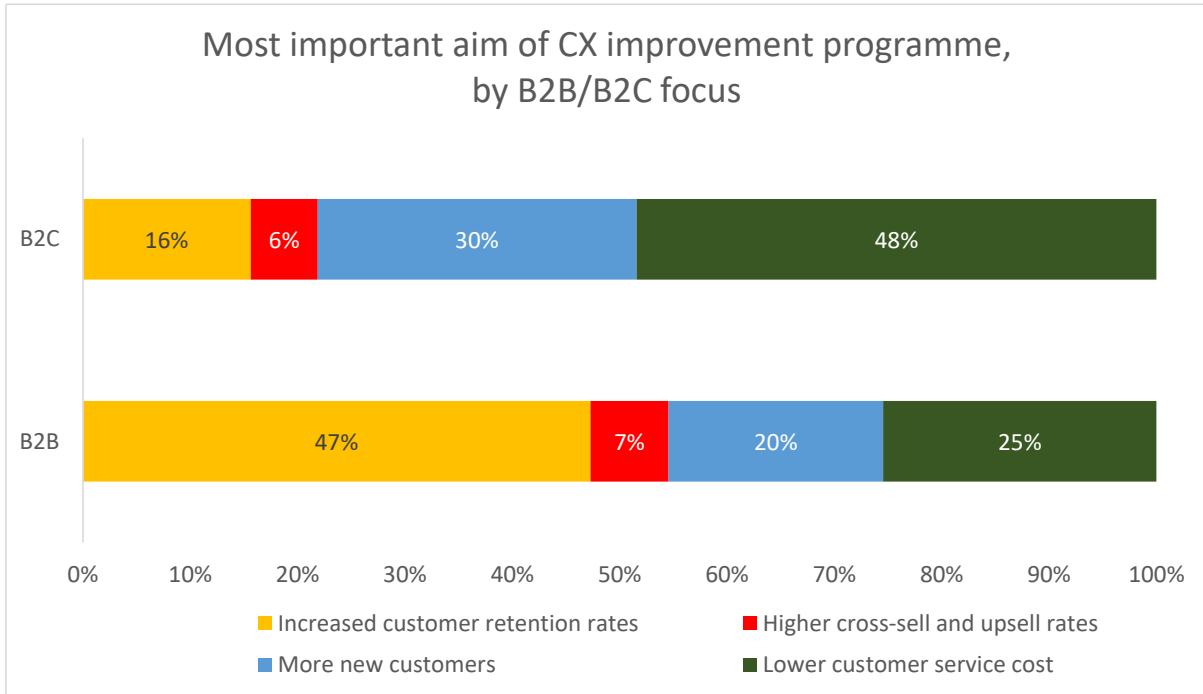
The housing and public sectors, as less commercial vertical markets, focus CX improvements on reducing the cost of service without lowering quality, often through self-service options.

Figure 16: Most important aim of CX improvement programme, by vertical market



While decreasing customer service costs is seen as the primary focus of the CX programme by 48% of B2C respondents, this figure decreases to only 25% amongst the B2B organisations, which are more concerned about keeping existing clients.

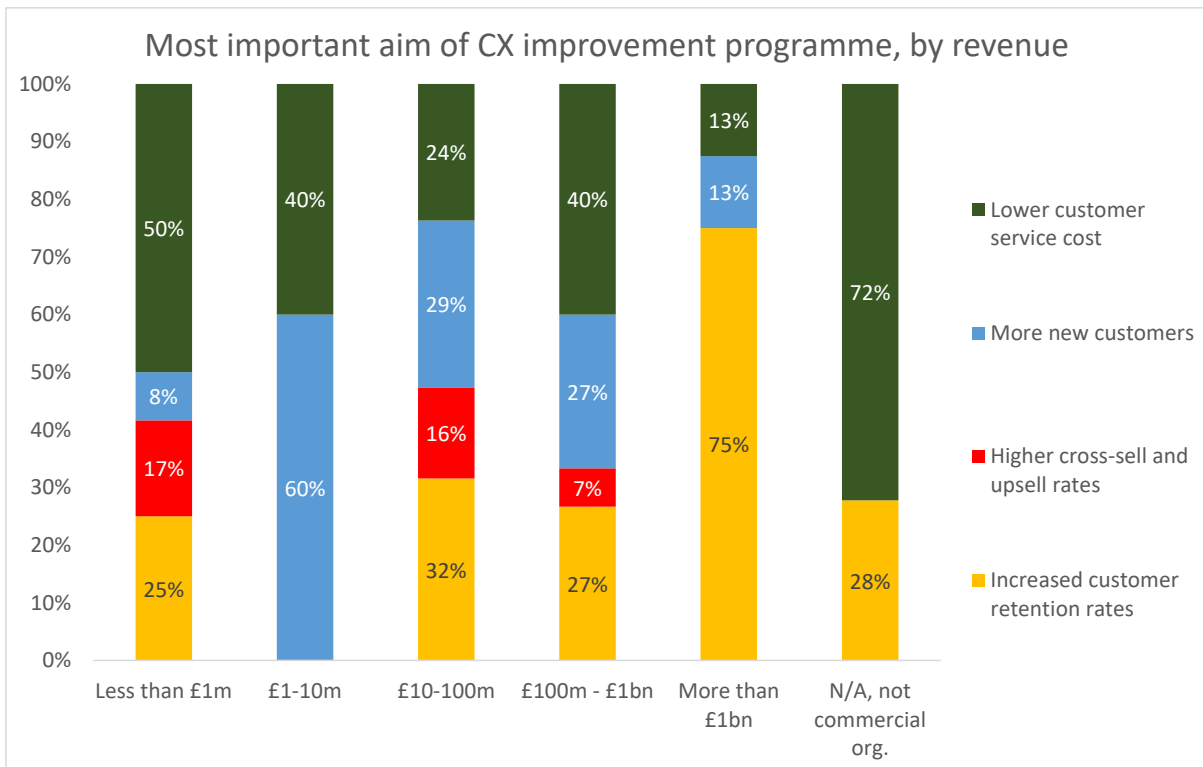
Figure 17: Most important aim of CX improvement programme, by B2B/B2C focus



When considering respondents segmented by revenue, perhaps the most noticeable finding is that the smaller organisations and those which are non-commercial place far more importance on reducing the cost of service through their CX improvement programme.

Increasing customer retention rates and loyalty is stated to be the one of the most popular primary aims of the CX improvement programme by the largest organisations, while those in mid-sized companies place great emphasis on winning new customers.

Figure 18: Most important aim of CX improvement programme, by revenue



CX INVESTMENT: PEOPLE, PROCESS, TECHNOLOGY

Respondents were asked to describe the allocation of their investments in customer experience improvements, considering new technology, training of employees, business process improvements and fees paid to external consultants.

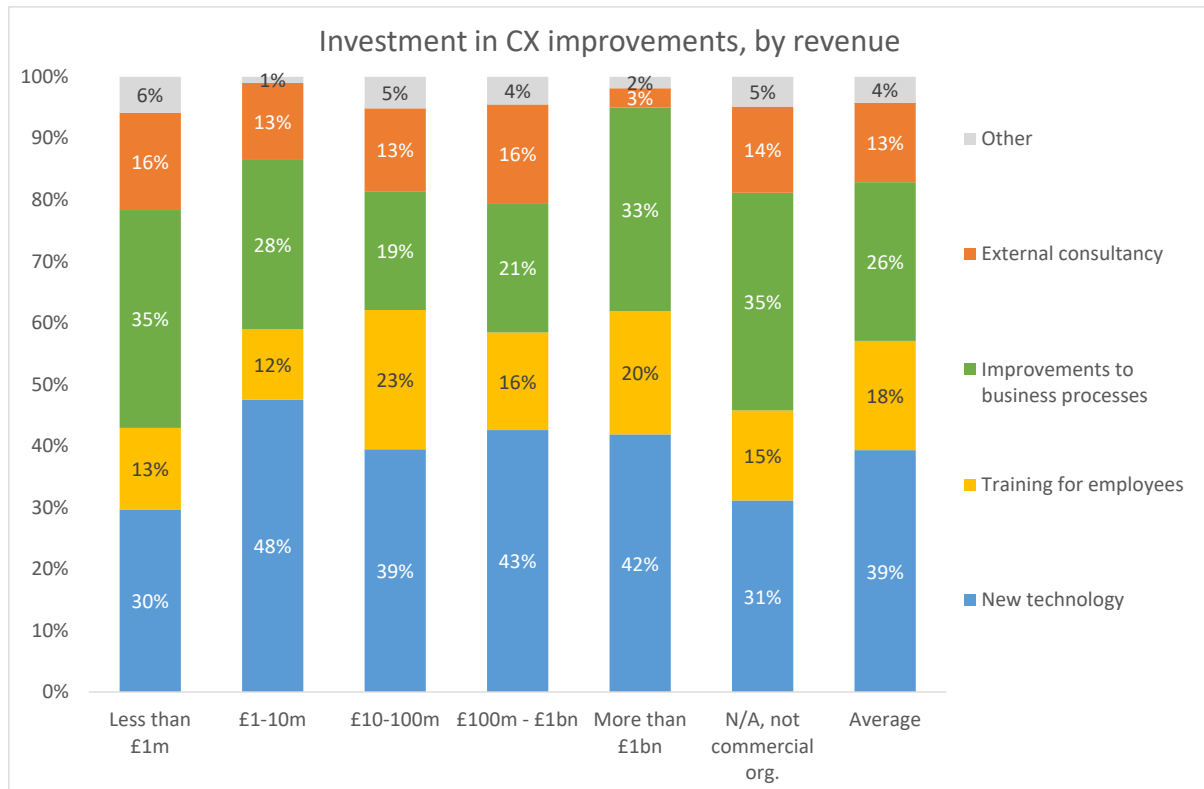
‘Other’ spending includes:

- Benchmarking
- Customer research
- In-house development on existing platforms
- Integration
- Internal consultancy.

Across the whole of the survey respondent base, investments in technology were around 50% higher than that of investment in business process improvements. This is especially noticeable in mid-sized companies.

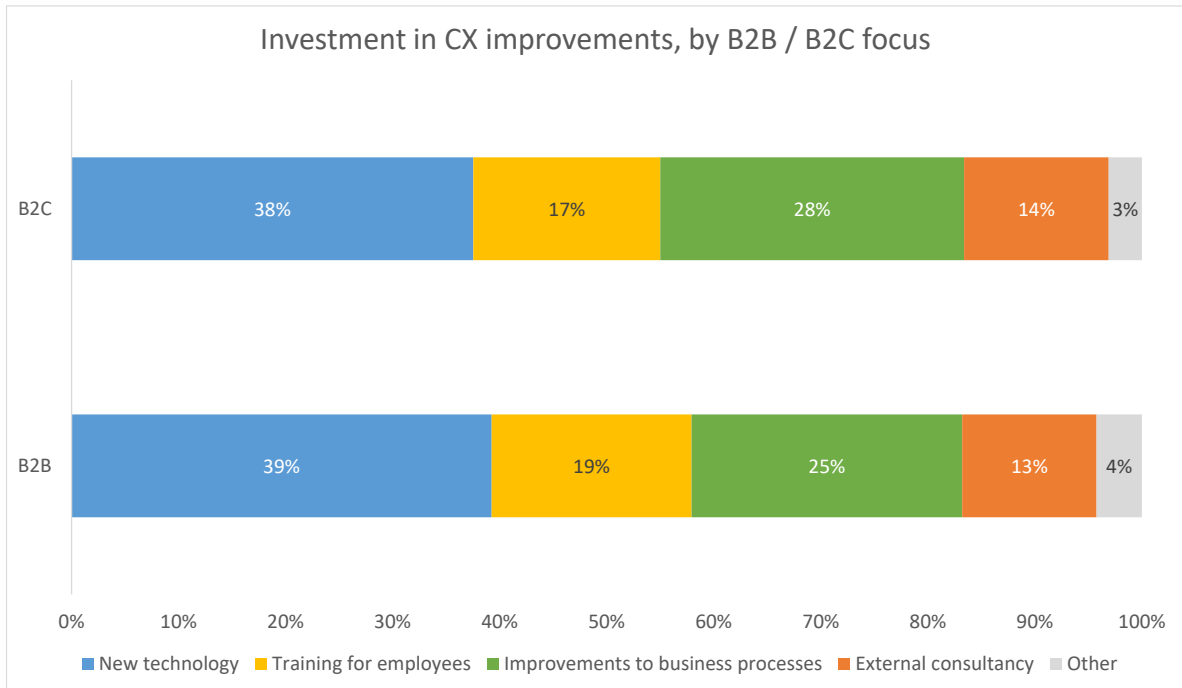
Smaller and non-commercial organisations were more likely to spend a higher proportion on business process improvements, although any wider pattern this year is quite unclear.

Figure 19: Investment in CX improvements, by revenue



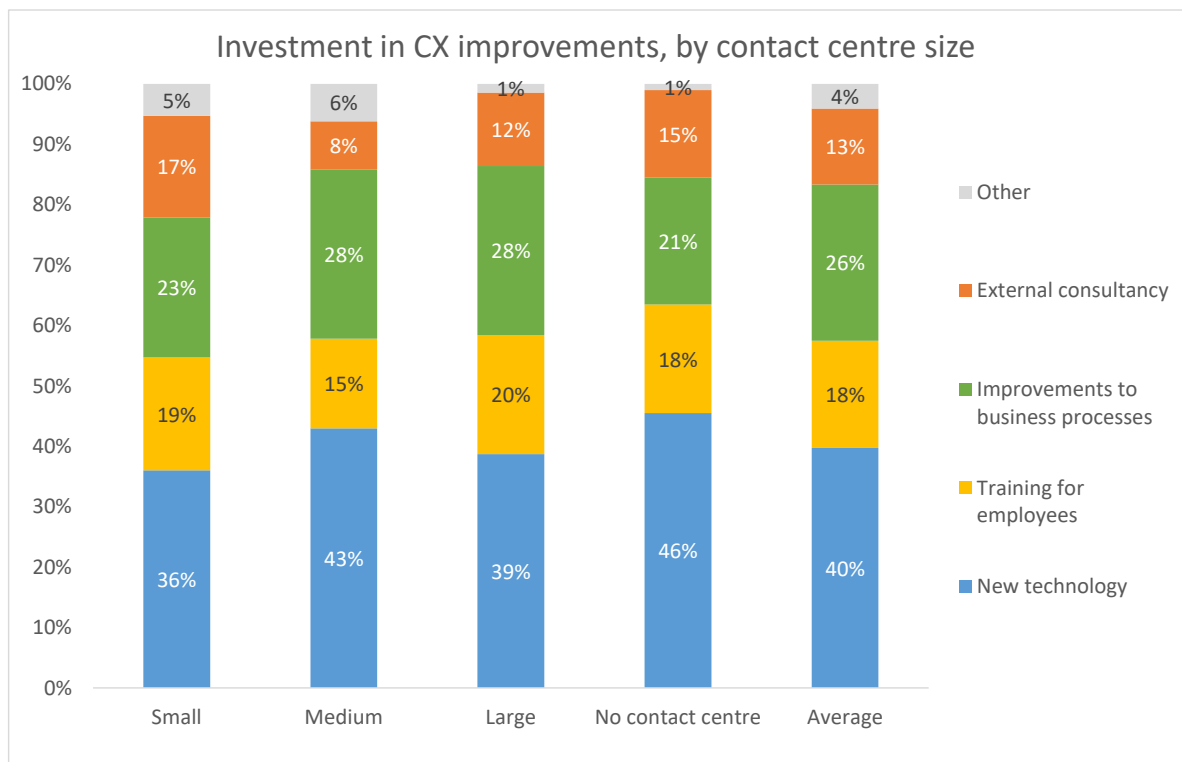
There is little difference between B2C and B2B survey respondents' CX improvement investment.

Figure 20: Investment in CX improvements, by B2B / B2C focus



When considering CX spend by size of contact centre, there was little difference. Those without contact centres still spent considerably on technology.

Figure 21: Investment in CX improvements, by contact centre size

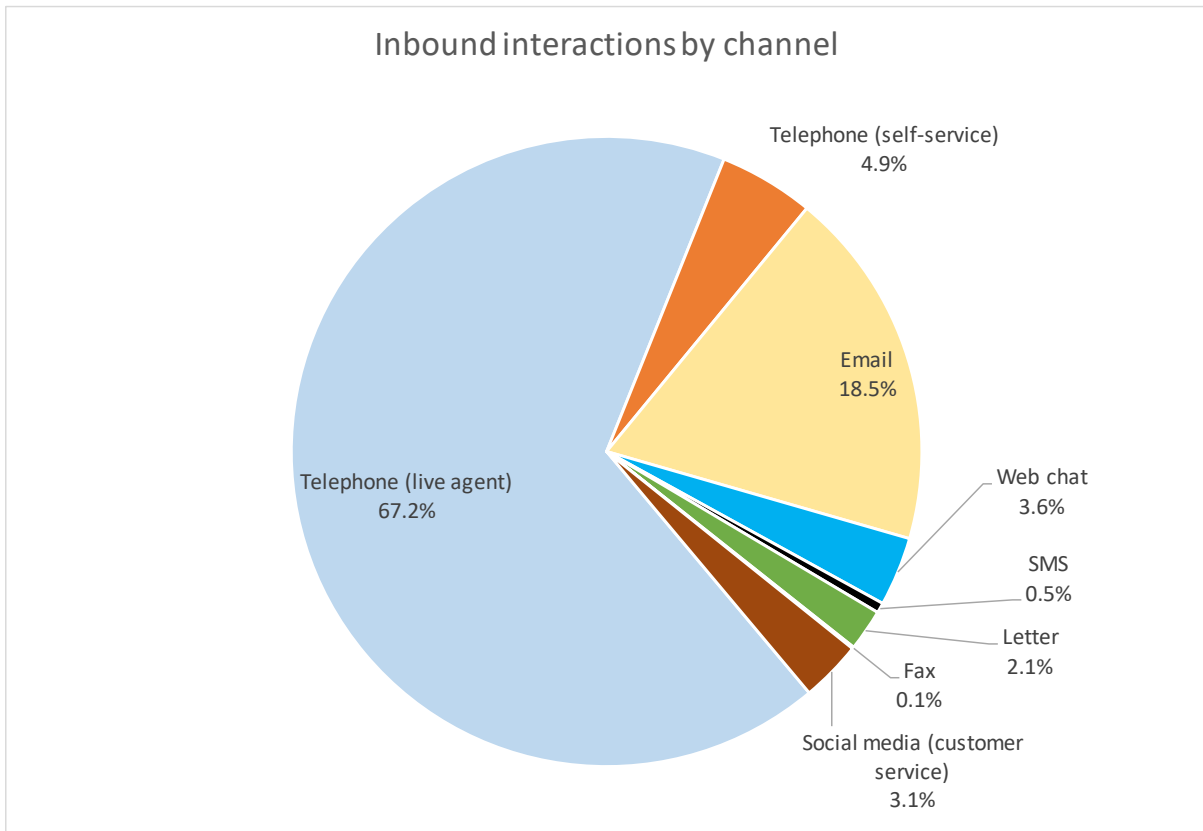


CX INVESTMENT: CHANNEL FOCUS

Before looking which channels are receiving the most CX investment, it is important to put omnichannel into perspective.

Looking at the reality of multichannel, multimodal and omnichannel activity, the UK contact centre industry has now strongly embraced the various forms of non-voice customer communication.

Figure 22: Inbound interactions by channel



The proportion of live inbound interactions by telephone dropped to 65.3% in 2017, its lowest recorded level, in line with a long-term gentle downward trend. 2019’s figure of 67.2% is very similar to 2018’s figure of 67.0%.

The proportion of telephony self-service interactions remains stubbornly low, despite expectations of its future rise.

The email channel increased significantly in 2017, after being around 15% for a number of years. 2018 saw a slight falling-off (down to 19.5%) and 2019’s figure of 18.5% suggested that email may have peaked.

Web chat and social media grew slightly once again, but are minor channels on an industry-wide basis.

Looking at vertical market figures, agent-handled calls are most important to respondents in the public sector, transport & travel, housing and services sectors, with manufacturing and retail respondents reporting lower levels of telephony.

Email is well represented in most vertical markets, with the manufacturing, TMT, retail and services sectors highest.

Telephony self-service seems strongest in the utilities sector as usual, although insurance has a higher than usual finding this year.

Web chat is developing a much stronger presence in retail, so as to encourage and close online sales, but is still a way off being a major channel for any other vertical market.

The utilities sector report being ahead in terms of social media customer contact, although most vertical markets show some interest in this channel.

Figure 23: Inbound interactions by channel, by vertical market

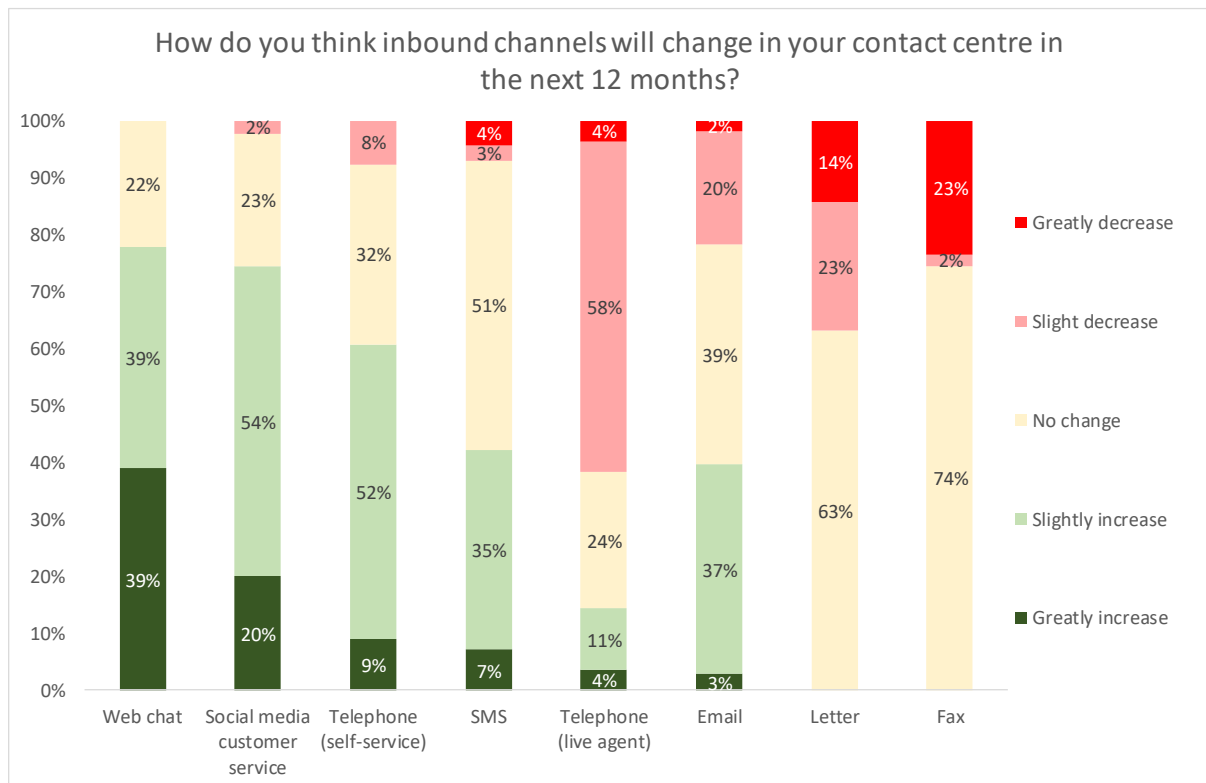
Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Mean
Telephone (live agent)	60%	76%	63%	35%	68%	82%	53%	72%	62%	82%	60%	67.2%
Telephone (self-service)	8%	1%	12%	0%	1%	5%	4%	0%	5%	7%	11%	4.9%
Email	16%	16%	14%	58%	19%	8%	31%	19%	30%	7%	11%	18.5%
Web chat	4%	3%	6%	1%	6%	2%	8%	6%	4%	1%	3%	3.6%
SMS	1%	1%	1%	0%	1%	1%	0%	0%	0%	0%	0%	0.5%
Letter	7%	0%	2%	1%	2%	0%	0%	2%	0%	0%	7%	2.1%
Fax	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0.1%
Social media (customer service)	4%	3%	2%	4%	4%	2%	3%	3%	0%	3%	8%	3.1%

NB: "0%" refers to a number lower than 0.5%, rather than necessarily a zero value.

Care should be taken when considering vertical market statistics, as the research sample size may be small. Use only as an indication of relative importance.

As not all of the same respondents take part in this survey every year, a jump or drop in the usage of a minor multimedia channel could be an industry-wide phenomenon or a case of a handful of early-adopters skewing the results, which is certainly possible where only a few use a channel, and where mean averages are used. As such, a question is asked to respondents about how each inbound channel will change, so being able to judge if any alterations in the use of channels is due to real changes at a contact centre-level, or is more of a statistical blip caused by a different set of respondents providing data each year.

Figure 24: How do you think inbound channels will change in your contact centre in the next 12 months?



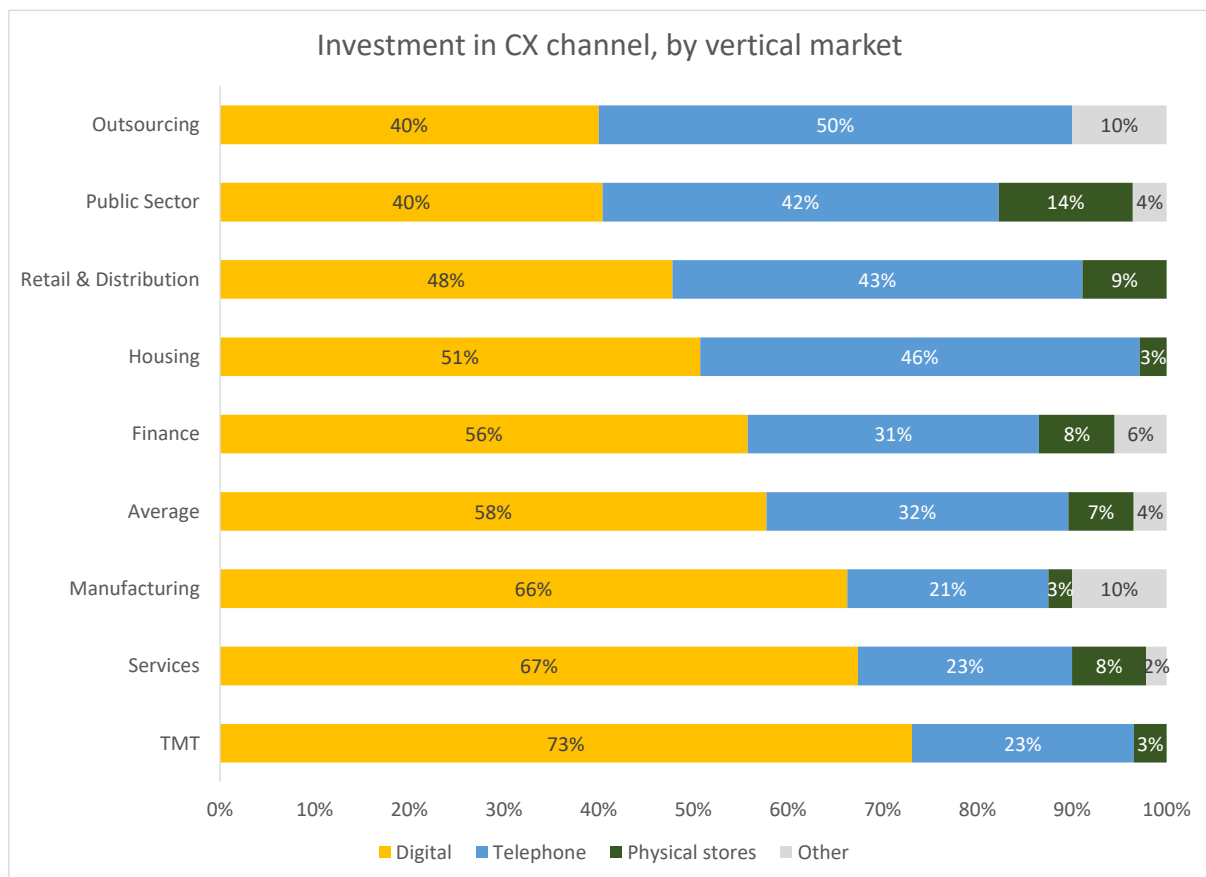
As usual, the traditional media of letters and fax will have a net decline in our respondents' eyes, although still have their place in the likes of the insurance, medical and manufacturing industries. Even more respondents believed the live telephony channel volumes would drop (62%) than thought they would rise (15%), a finding that is growing each year, and which signals a trend in the industry that is explored in the next chart.

Strong growth is once again expected in web chat and social media customer service interactions (and SMS, from a very low base), with email volumes still predicted to grow although at a much lower rate than previous years. Telephony self-service is expected to grow once again this year, with its twin benefits of customer convenience and low cost still very much relevant. New approaches, such as visual IVR, are likely to encourage further use of self-service. Although not shown on this chart, around half of respondents offer an app or mobile service option for customer service.

The previous chart's real message is that channels aren't being replaced – even letters and fax will continue to be supported in some cases – but rather augmented, and businesses have to accept that they need to develop an omnichannel approach, as that’s what their customers are expecting. This means that the pressure to unify the view of the customer across channels is a challenge that isn't going to go away.

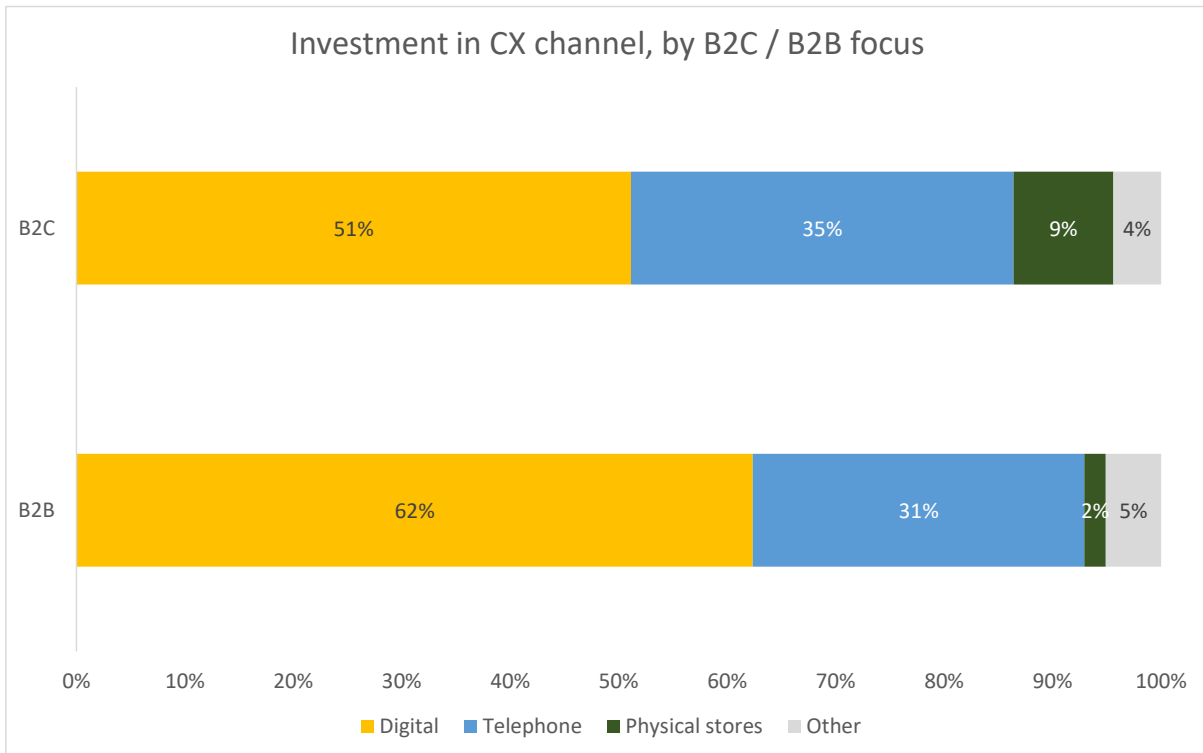
Turning to how customer experience investment is spent by channel, it is easy to see that for the majority of vertical markets, digital channels such as email, web chat, website and social media receive far more attention and investment than the traditional telephony channel, despite the former accounting for around 25% of inbound interactions (excluding web self-service), compared to over 70% coming through telephony (whether live or self-service).

Figure 25: Investment in CX channel, by vertical market



When considering the B2B/B2C segmentation, B2C will tend to spend proportionately more on physical locations such as stores and B2B seems more focused on digital channel investments.

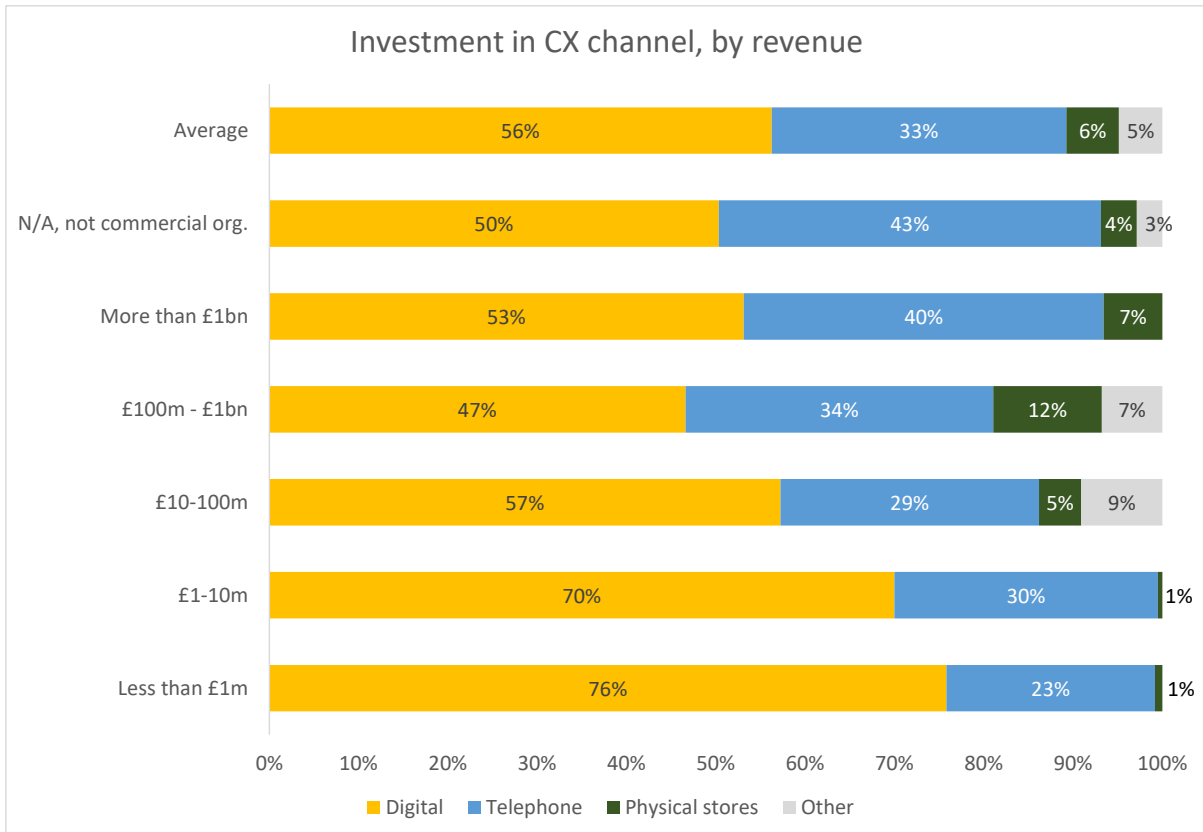
Figure 26: Investment in CX channel, by B2C / B2B focus



The chart below shows that many smaller businesses are embracing the digital channel as a way to give themselves a level playing field when competing against much larger organisations. Respondents with less than £10m in revenue state that at least 70% of their CX investment is going into digital channels.

It is also noticeable that non-commercial organisations are spending proportionally more on their telephony than other respondents, perhaps as many are behind the technology curve.

Figure 27: Investment in CX channel, by revenue



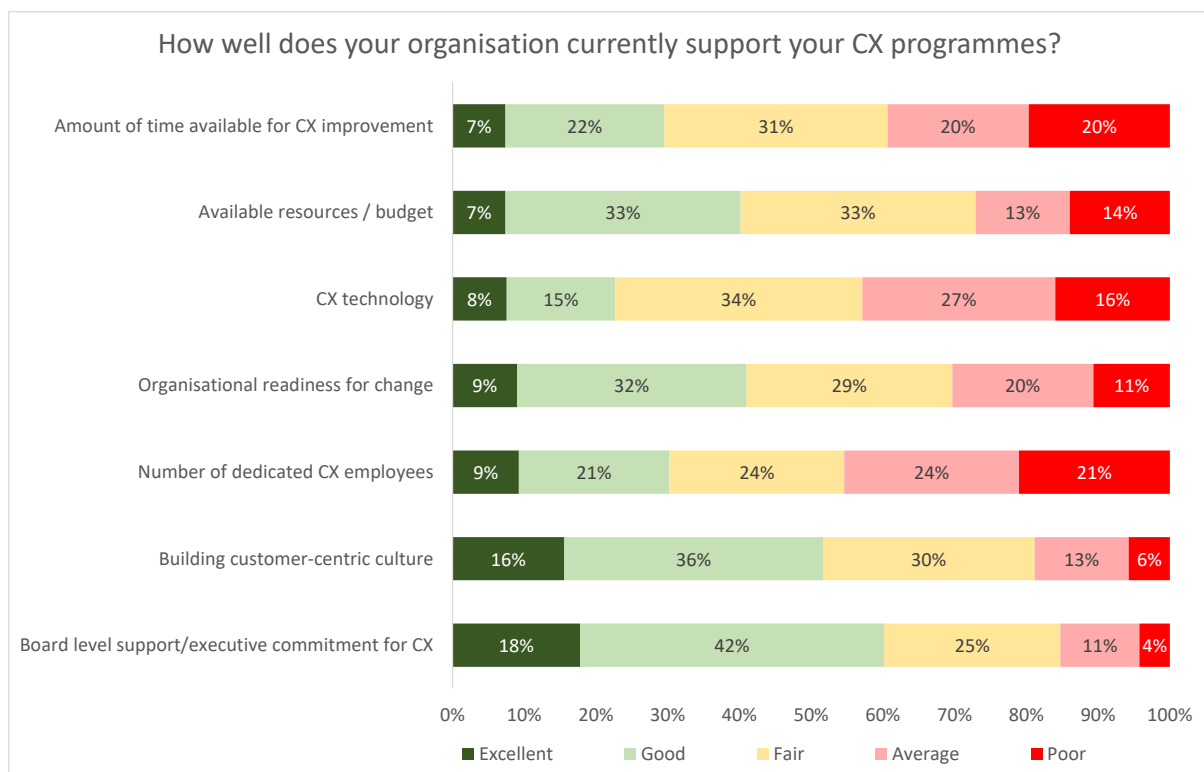
CORPORATE SUPPORT FOR THE CX PROGRAMME

Respondents were asked how well their organisation currently supported their customer experience programmes. In the main, the results were not particularly positive, with 43% of organisations stating that their CX technology was either poor or average, and 45% being lukewarm about the number of dedicated CX employees available.

On the positive side, more than half of respondents stated that the organisational culture was moving towards customer-centricity and 60% commended their executives' commitment, so it appears as though it is the execution of CX improvement rather than the acceptance of the concept itself which needs to be improved.

Having said that, the widespread finding that there were not always enough time and resource for CX improvement shows that having a customer-centric culture does not easily or necessarily translate into actual action to improve CX.

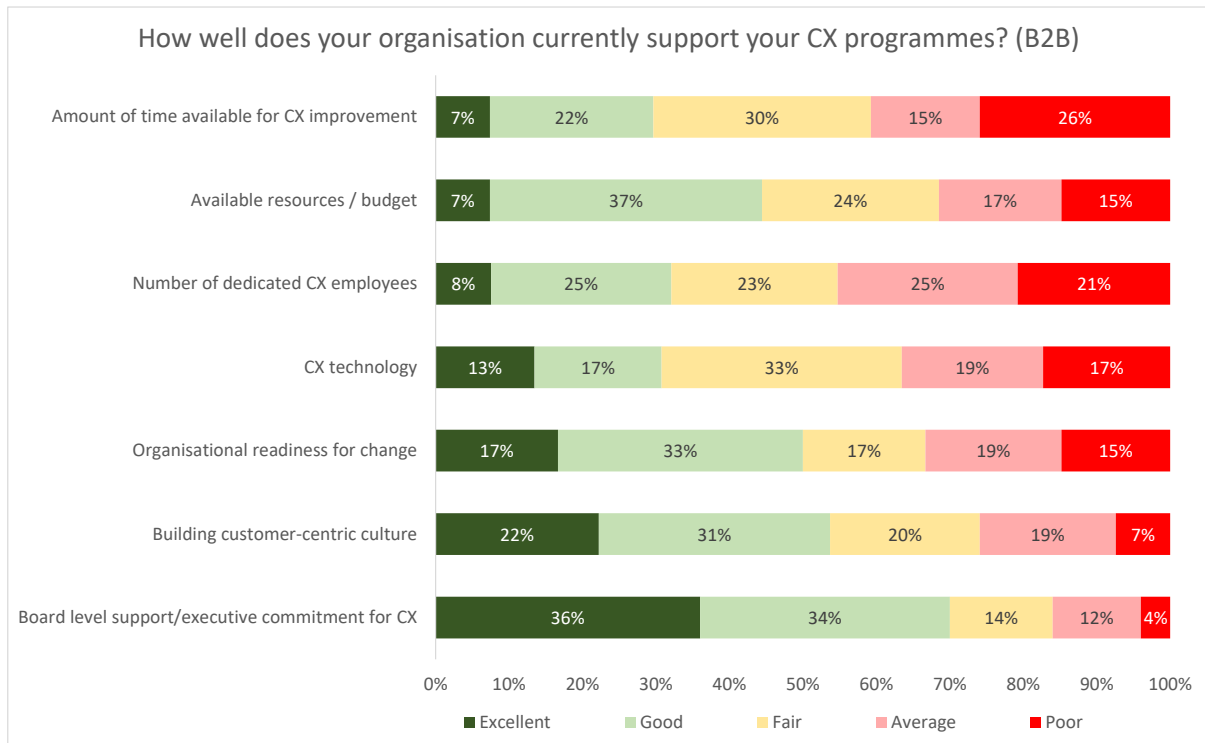
Figure 28: How well does your organisation currently support your CX programmes?



Within B2B organisations, there was a strong belief amongst many that there was an executive commitment to improving customer experience.

However, over one-quarter of B2B respondents stated that there was little time available for actually improving the customer experience, and there were also concerns about the human resource and budget being available to do so.

Figure 29: How well does your organisation currently support your CX programmes? (B2B respondents)



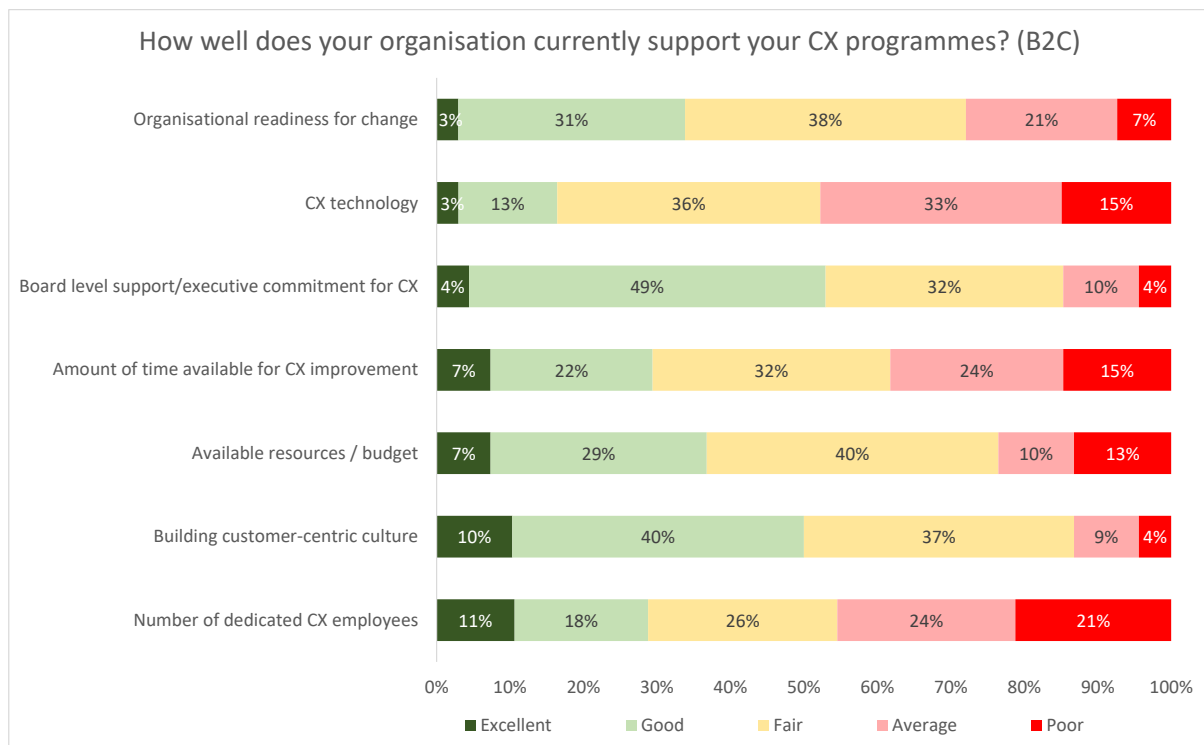
For B2C survey respondents, half consider that their organisational culture is building customer-centricity and a similar proportion that the executive commitment to improving CX is either excellent or good.

However, the good news stops here. 39% of respondents state that the time available for improving the customer experience is either poor or average, with 48% reporting unacceptable CX technology.

45% believe that there are not enough dedicated CX employees within the organisation.

Generally speaking, the extremely low levels of ‘excellent’ responses – particularly compared to the B2B respondents – shows an industry which still realises that has a very long way to go before it achieves what it wants to with its customer experience programmes, even if there is a general acceptance that customer-centricity is vital to the organisation’s future.

Figure 30: How well does your organisation currently support your CX programmes? (B2C respondents)

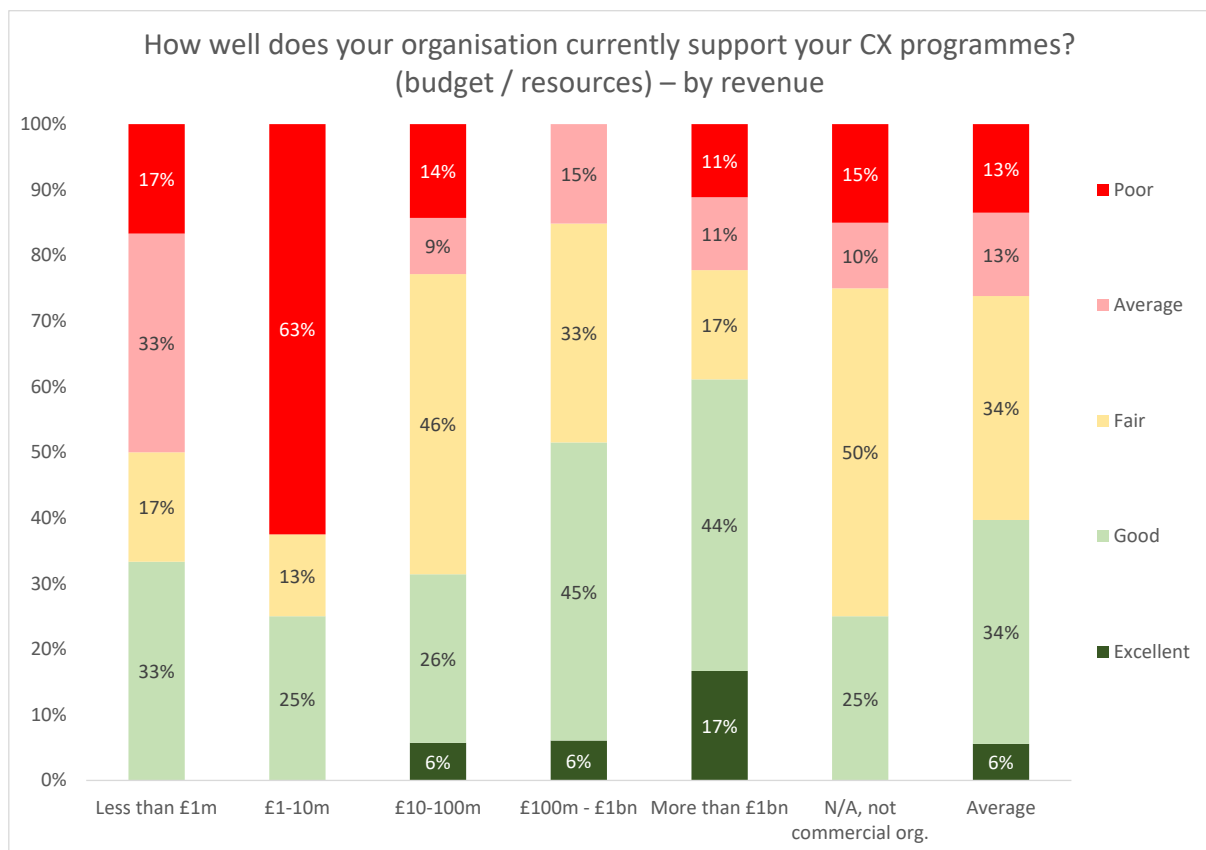


It is worth investigating organisations’ support of their CX programmes in a little more depth within the next two charts, which look at the availability of budget and resources when segmented by revenue, and the impact of contact centre size on CX technology.

Looking first at the availability of budget and resources for CX programmes when considering the revenues of the organisation, we might expect to see that smaller organisations with less revenue would have greater problems in allocating budget and resource to support their CX programme.

This is the case this year, with the smallest companies and non-commercial respondents feeling that their budget was too low to deliver what is being asked for.

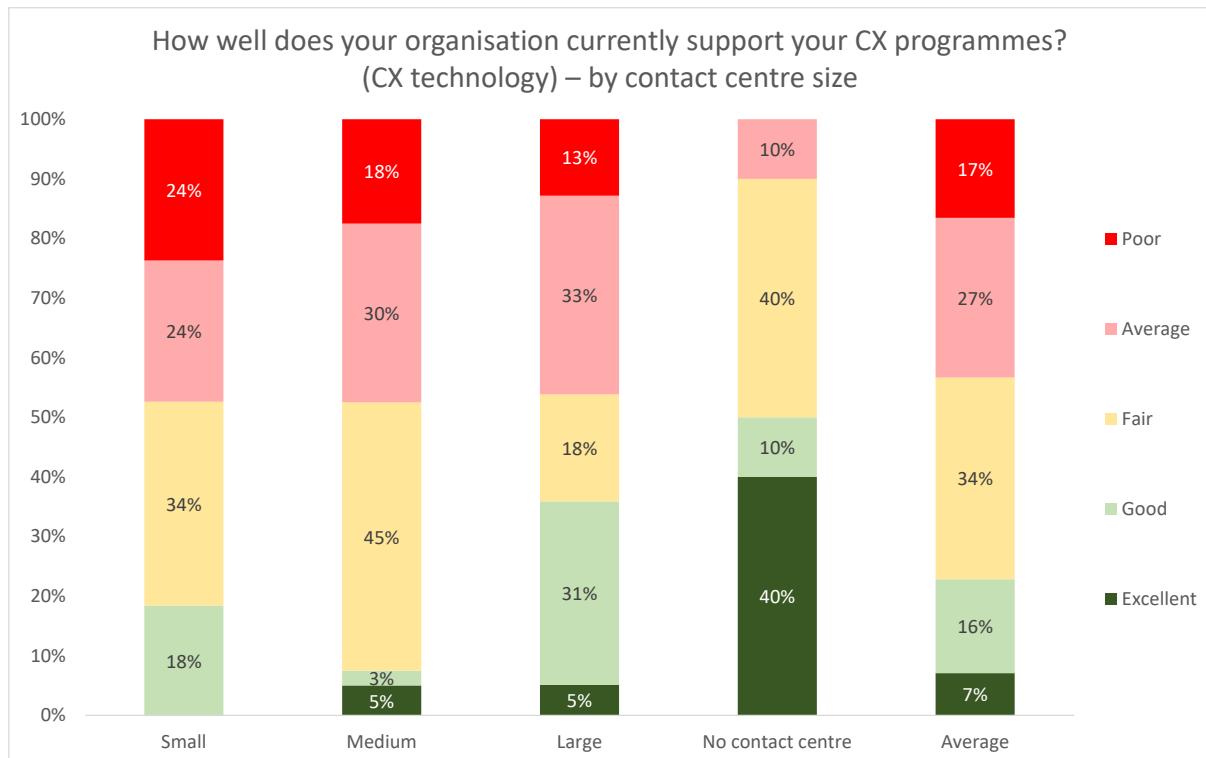
Figure 31: How well does your organisation currently support your CX programmes? (budget / resources) – by revenue



When considering the capability of customer experience technology by the size of the contact centre, there are very significant proportions of respondents at every level who ranked their CX technology as being poor or average.

As you might expect, those that do not have a contact centre are least likely to be dissatisfied with the level of CX technology, but even those within the largest contact centres cannot be said to be uniformly delighted with the technology that they have in place.

Figure 32: How well does your organisation currently support your CX programmes? (CX technology) – by contact centre size



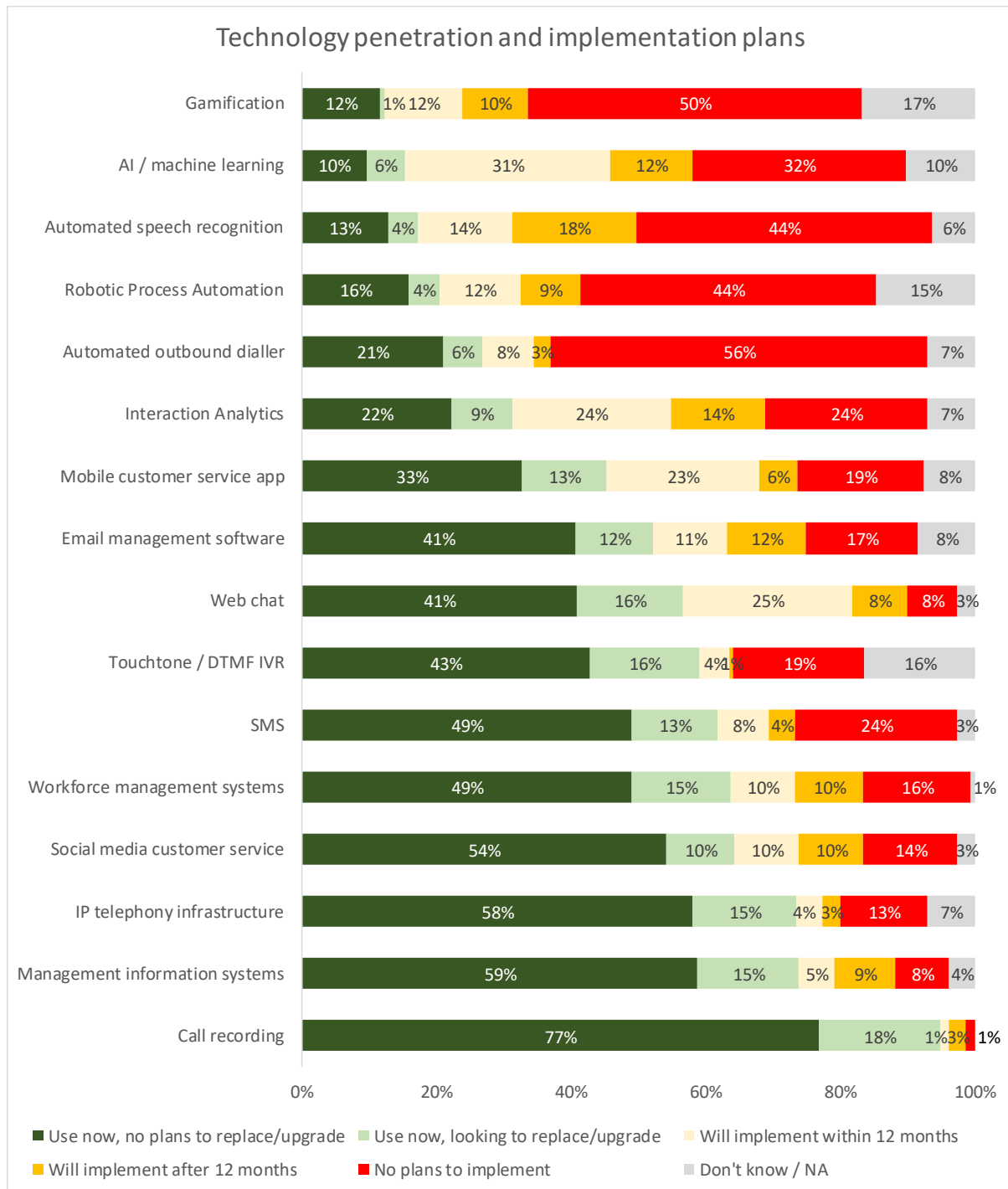
The next section of this report looks in depth at the use of some of the technologies supporting customer experience – in particular within the contact centre – and the plans that organisations have for investing in these in the near future.

TECHNOLOGY

CURRENT AND FUTURE USE OF CUSTOMER CONTACT TECHNOLOGY

The following chart shows respondents' current and future use of specific contact centre solutions in 2019, and should be used to identify the relative use of technology and the most likely planned areas of investment.

Figure 33: Technology penetration and implementation plans



DTMF IVR, call recording, workforce management and web chat are amongst the most likely to be upgraded or replaced in 2020-21. Many legacy call recording solutions are moving to the cloud, removing the need for on-site storage and maintenance, security management and improving operational flexibility, and the opportunity to upgrade recording systems while implementing analytics is also being taken by many contact centres.

In terms of new implementations, AI dominates, with web chat, analytics and mobile customer service also receiving serious interest. In the longer-term, AI, speech recognition and analytics were seen by respondents as likely investments.

Recognising that the reality of contact centre investment does not always match the intention shown in the previous chart, the following table gives closer analysis of IT investment priorities.

Figure 34: Top 5 most important areas of contact centre IT expenditure in the next two years (proportion of contact centres placing solution in their top 5, 2015-19)

Technology solution	2015	2016	2017	2018	2019
Omnichannel (i.e. getting channels to work together)	42%	50%	55%	41%	56%
CRM / Agent Desktop Software	48%	56%	53%	63%	43%
Artificial Intelligence	n/a	n/a	n/a	n/a	43%
Web Self-Service (includes and Web Self-Service)	12%	18%	19%	32%	36%
Web Chat	38%	31%	29%	28%	33%
Management Information Systems	30%	25%	22%	25%	31%
Performance & Quality Management	26%	25%	25%	14%	29%
Email Management	41%	37%	31%	27%	23%
Back-Office Integration	39%	45%	48%	31%	22%
Cloud	18%	17%	16%	25%	22%
Telephony Self-Service (DTMF IVR, Automated Speech Recognition)	8%	12%	14%	25%	21%
Speech Analytics	9%	8%	13%	17%	19%
Workforce Management	19%	29%	24%	17%	18%
Homeworking	14%	9%	11%	26%	16%
Desktop Automation & Analytics	19%	25%	27%	22%	13%
Social Media	21%	20%	18%	27%	12%
Call Recording	19%	6%	12%	16%	10%
Mobile Service	15%	13%	19%	13%	9%
Gamification	8%	9%	11%	6%	9%
Telephony Infrastructure (including IP)	10%	12%	7%	13%	8%
Voice Biometrics	4%	3%	3%	6%	7%
Hardware (including PCs & servers)	19%	13%	12%	14%	5%
Outbound Automation	6%	5%	5%	6%	4%
Headsets	7%	3%	2%	2%	4%
Interaction Routing (including ACD/CTI-like functionality)	17%	14%	14%	3%	3%
Virtual Contact Centres	7%	10%	8%	2%	3%
Video/Web RTC	0%	4%	2%	0%	0%

The percentages in the previous table are based on the proportion of respondents over the past five years placing the specific solution within their top 5 from a list of 27 possible contact centre solutions (AI was only added as an option in 2019). By showing this historical data, patterns will emerge showing the solutions that are gaining the most interest over the years, and those which are losing their appeal.

Omnichannel – which has been defined within this part of the survey as getting the various channels to work together – is placed within the top 5 priorities by 56% of respondents. Its various supporting applications, such as web chat, email management systems and social media still have significant proportions of respondents placing them within the top 5, although it is becoming noticeable that these numbers are falling year-on-year as implementations actually happen (as this table looks at planned implementations, rather than those that have actually happened).

CRM (including improvement to the contact centre agent desktop and contact management system, as well as company-wide CRM) was in no.1 position for a number of years, and although it lost its no.1 spot in 2017 to omnichannel, it was back on top in 2018. This year's figure of 43% sees it tied in 2nd place with Artificial Intelligence, a new option for 2019.

After some years of relative stagnation, interest in self-service grew massively in 2018 and 2019, driven in large part by the promise of artificial intelligence and chatbots providing a superior self-service experience than had previously been the case.

Back-office integration has dropped in importance again this year, and is now the 9th highest priority rather than the 4th, as it had been for some years. While respondents are still very aware of the need to underpin the entire customer contact infrastructure – both front and back office – with a robust, stable and non-siloed infrastructure that allows a single view of the customer, the resurgent interest in omnichannel and new enthusiasm for AI-enabled self-service has pushed this down the list.

Speech analytics continues its steady rise, up from 9% in 2015 to 19% in 2019.

EFFECT OF TECHNOLOGY ON THE CUSTOMER EXPERIENCE

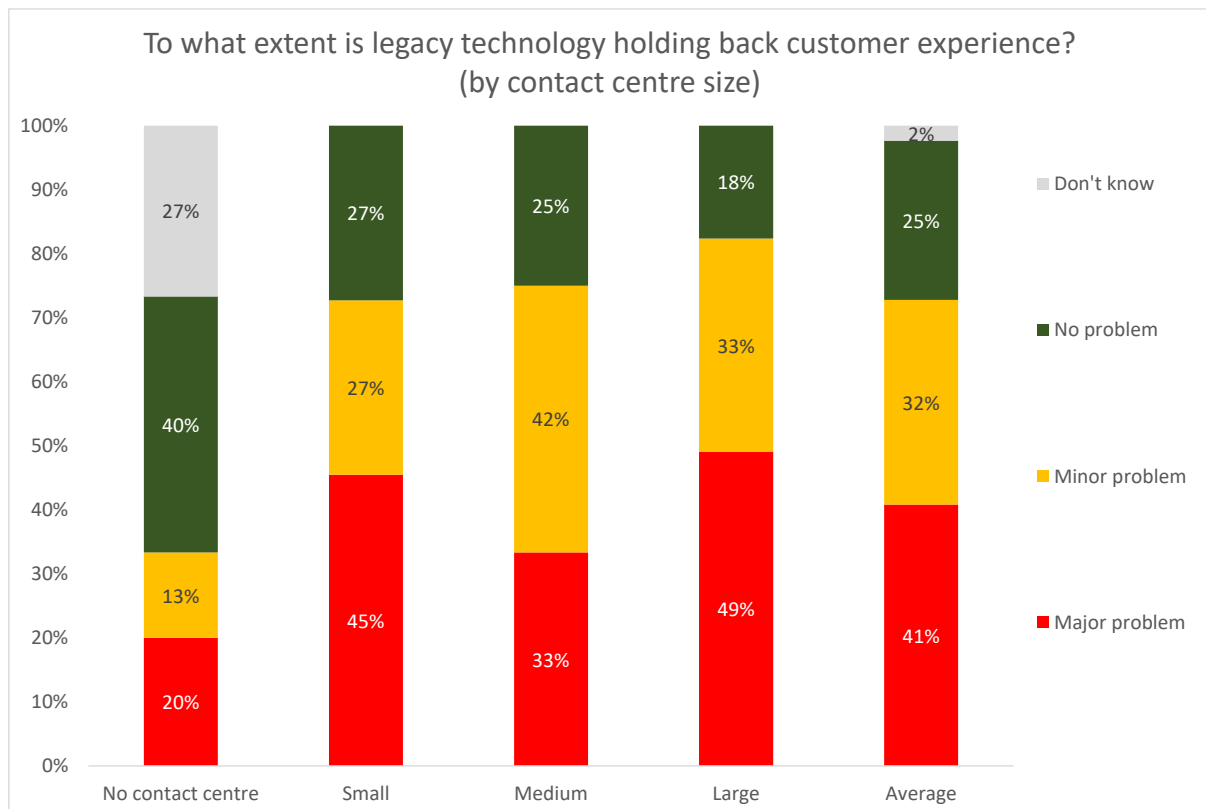
ARE TECHNOLOGY ISSUES HOLDING BACK CUSTOMER EXPERIENCE?

Respondents were asked about the extent to which technology challenges were affecting their ability to improve their customers’ experience.

Legacy technology is reported to be a major problem by 41% of survey respondents, with almost half of those with very large contact centres stating this.

While there has been a very significant move to cloud – supported recently by the need for remote working – it is clear that there is still a long way to go before businesses can fully develop their CX-supporting technology.

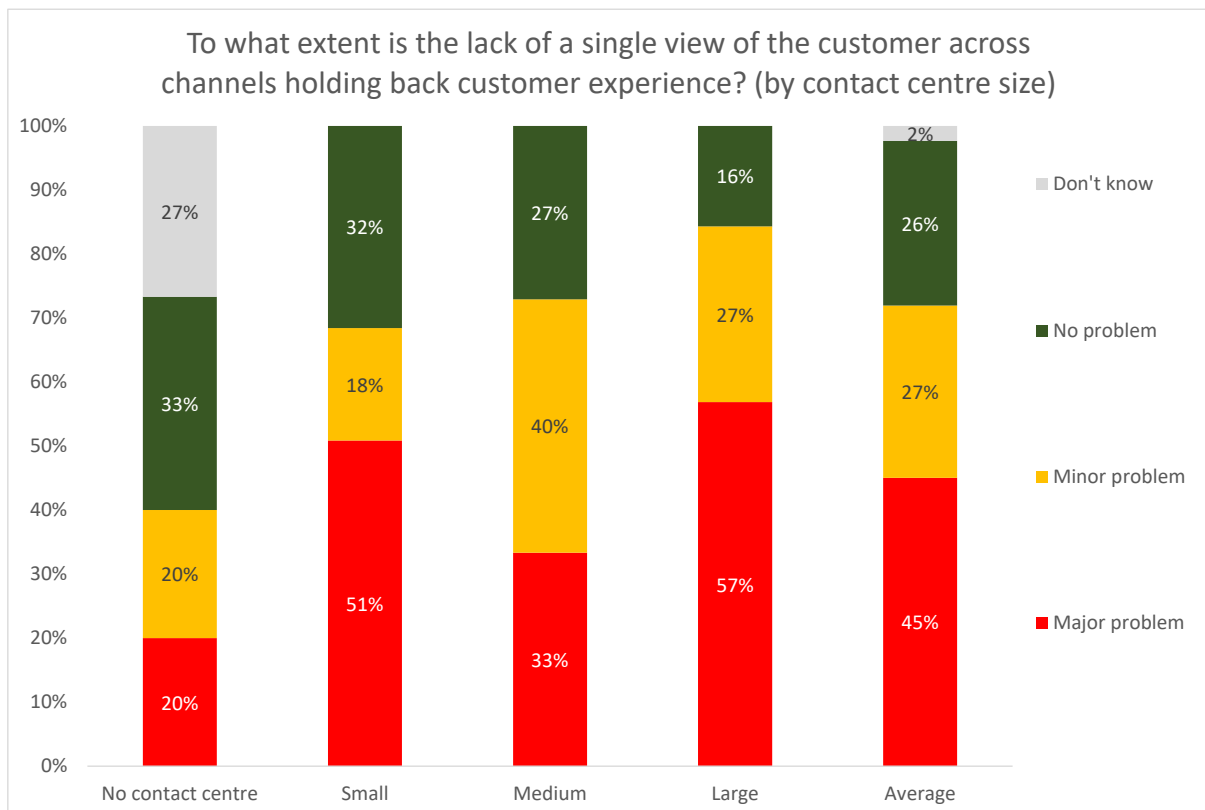
Figure 35: To what extent is legacy technology holding back customer experience? (by contact centre size)



Almost half of survey respondents also state that not having a single view of the customer across channels or enough IT resource or budget are also major problems for them. Again, those in larger operations were more likely to feel this.

Not being able to view the customer across channels means that the full benefit of omnichannel contact cannot be achieved, and that unnecessary time and effort are being spent by the customer, with sub-optimal results for all concerned.

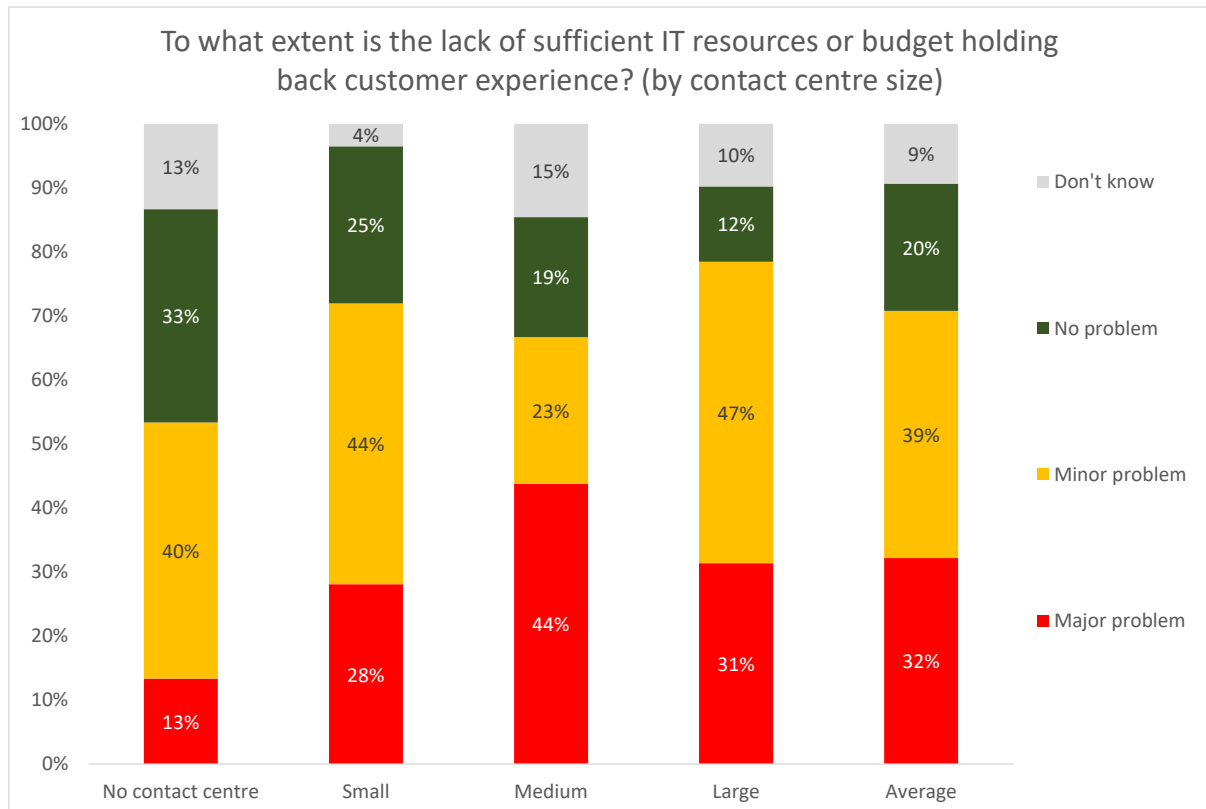
Figure 36: To what extent is the lack of a single view of the customer across channels holding back customer experience? (by contact centre size)



Respondents with mid-sized contact centres were most likely to note that a lack of IT budget for CX-supporting technology was a major problem for them, although the large majority of survey respondents with any type of contact centre felt that this was an issue for them.

Only those without a contact centre were likely to see insufficient IT resource as being less of a problem for them.

Figure 37: To what extent is the lack of sufficient IT resources or budget holding back customer experience? (by contact centre size)

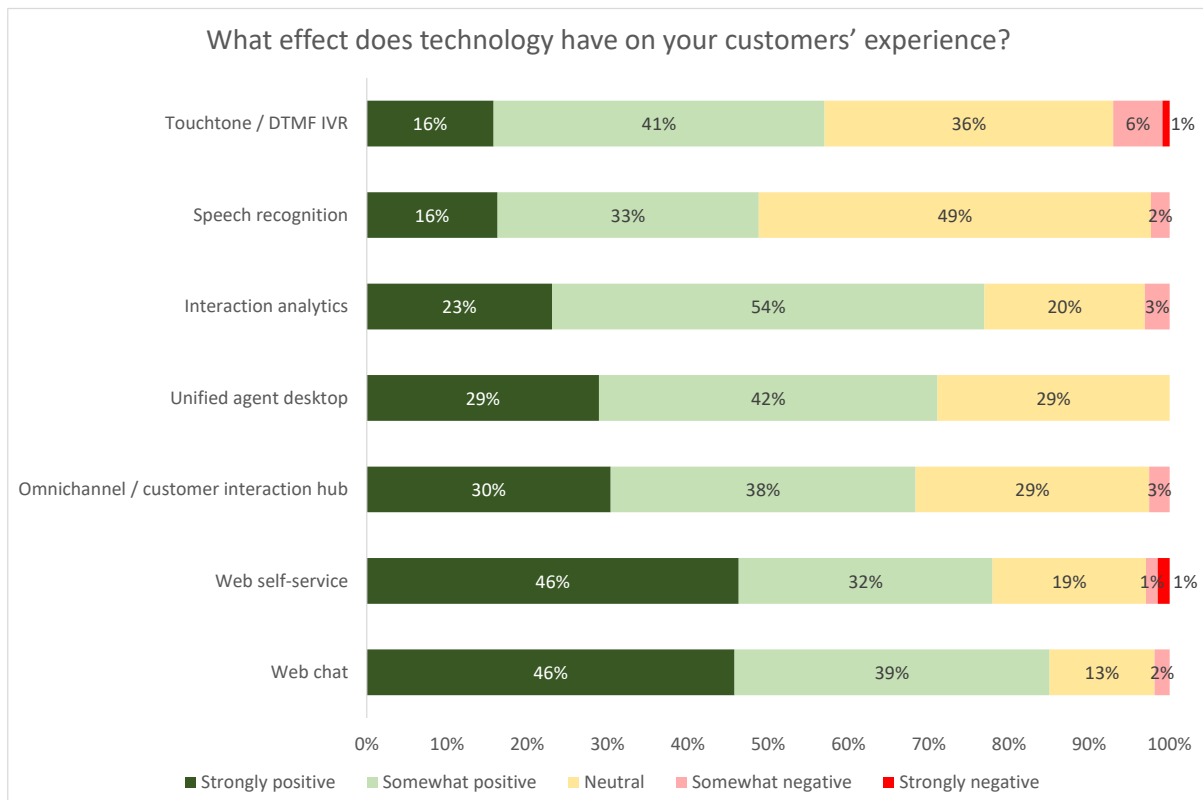


DOES CX TECHNOLOGY AFFECT CUSTOMER EXPERIENCE?

The following chart looks at the effect that organisations believe specific technologies have on their customers' experience.

Generally, they are seen as providing a positive experience for customers, although IVR and speech recognition have a somewhat more polarising view, with a significant proportion of respondents being neutral about these technologies' impact on CX. (Only survey respondents that actually used these technologies were included in this analysis).

Figure 38: What effect does technology have on your customers' experience?



Web chat offers an organisation a chance to cut costs through running more than one chat session at a time with customers, using the time that a customer spends reading and replying to an agent's response to deal with other customers concurrently, with 2 or 3 chats being seen as sustainable.

Web chat is often used as a 'point of crisis' channel, for example, to convert an online shopping basket into a sale by providing timely service, or if a visitor is paused on a web page too long, perhaps as they can't find what they are looking for. In such cases, there are two main benefits to the business to provide text chat: revenue maximization, and the avoidance of unnecessary calls.

Web chat can also act as a safety net for the customer if an online self-service attempt fails. An analogy can be made with voice self-service, where a failed session is often ended with the customer 'zeroing-out' (pressing zero to get in touch with an agent). Failed web self-service sessions may end with a phone call being made, but the use of web chat can avoid a number of these, which is a cost saving for the business and better for the customer as well.

Survey respondents using web chat usually see it being very positive for customer experience. Later in this report, the popularity of web chat can be seen in the survey of 1,000 UK customers and it is rare to find that this channel does anything other than improve the overall customer experience.

Web self-service is also seen as being of positive benefit to the customer experience, and as the cost per automated support session is estimated to be between 40 and 100 times cheaper than a live call to an agent, it has significant benefits to the business too.

Many customers will visit a website first; if they cannot find what they're looking for immediately they will try self-service; if the self-service experience does not give them what they want immediately and accurately, they will either call the business or go elsewhere. In cases where the customer is tied into an existing business, this will result in a higher cost of service and decreased customer satisfaction. In cases where the web visitor is only a potential customer, a failure in the self-service process on a website will mean the almost-certain loss of a sale. In all cases, providing effective web self-service options – with a clear path to escalation to a live agent, along with any contextual customer specific information – is in the best interests of the business.

Despite the rapid growth in the use of web-based services, the importance of the voice channel has not diminished to the extent predicted by some commentators:

- Customers still find voice the most convenient, flexible and quickest communication channel in many instances, especially in older demographics and for complex and high-emotion enquiries
- Customers' expectations continue to rise. Not only do they seek out competitively priced goods and services, but they require quick, efficient service as well
- The general level of awareness of identity theft as a real issue has also grown, and the voice channel still provides customers with the greatest level of confidence.

Many calls are not suitable for self-service, as the customer may have multiple requests, the call is of a complex nature or be from someone who wants to speak with a human agent. Small businesses may have such a low volume of calls that self-service is not cost-effective. If customers don't want to use IVR, they will "zero-out" (press 0 for a live agent, or try to find a similar shortcut) – in the UK, 14% of IVR calls are abandoned in this way. If businesses don't offer a live agent option to an irate and frustrated caller, they won't need to worry about providing customer service to them in the future, as they'll go elsewhere.

Businesses using **omnichannel** are very positive about the effect on customer experience.

Recent years have seen the word 'omnichannel' introduced as describing the goal of customers being able to contact (and be contacted) through any channel – switching between them during the interaction as appropriate, while taking any relevant data and history along with them – with a single, unified view of the customer's journey being available to the agent.

For true omnichannel, the platform, infrastructure, applications and resources need to be available to identify, route and switch interactions between agents and channels seamlessly, while keeping all relevant data gathered in the course of the interaction: larger operations are more likely to have had the investment made to deliver this sort of experience.

A key aim of omnichannel is to provide a consistency of customer experience, and this requires access to the same master dataset and also the same knowledge bases and business logic. There must be real-time data flow and updates between channels and databases: without this, consistency is impossible.

One of the main irritants for a customer is having to contact the business on numerous occasions, often through different channels, about the same issue. Omnichannel promises a way in which this experience can be made less painful and more effective for both customers and businesses, by providing a single view of the customer's journey – not just that particular interaction, but the entire experience – so that agents do not have to repeat questions and can treat the customer's request more effectively.

Unified desktop: Many of today's contact centres use complicated, multiple applications, often only loosely linked, which require skilled and experienced agents to navigate and manage interactions with customers successfully at the same time. Even after the call is completed successfully, each system may need specific inputs from the agent in order to start the required back-office processes or to keep each database consistent with the others. The result is that even though a contact centre may be staffed with experienced, hard-working and skilled staff, its overall performance is suboptimal, leading to lower profits, customer satisfaction and unnecessary costs, as well as downstream service issues.

The variable capability of agents is also a contributory inhibitor to quality improvements, profit maximisation and an optimised customer experience. One possible solution is to look at an overall unified desktop environment that includes dynamic scripting, as well as understanding agent training needs through an integrated solution including call recording and analytical functionality, delivering up-to-date performance metrics and in-call information supporting cross-selling and upselling offers.

The rapidly growing addition and use of new channels is only making this need more urgent. Role-based performance dashboards and real-time reporting of analysis means that insight into the contact centre's efficiency and effectiveness can be shared immediately with relevant business users without the need for high levels of user expertise and experience. Although the unified desktop can be seen as an internally focused technology, the vast majority of respondents believe that its ability to provide in-call support to agents and reduce downstream errors has a very beneficial effect upon customer experience.

Interaction analytics can be used in many different ways to address various business issues. This is an advantage – it is hugely flexible – but it can also make its message to the market more complicated. However, depending upon how interaction analytics is used, it can assist in:

- agent improvement and quality assurance
- business process optimisation
- avoidance of litigation and fines
- customer satisfaction and experience improvements
- increases in revenue and profitability
- improvements in contact centre operational performance, and cost reduction.

Like most contact centre applications, analytics can be used to cut costs, but its promise goes far beyond this. No other contact centre technology provides the business with this level of potential insight that goes far beyond the boundaries of the contact centre and can offer genuine and quantifiable ways in which business processes can be improved.

Amongst the survey respondents which use interaction analytics, there is a general feeling that it impacts somewhat positively upon the customer experience, although perhaps not quite to the same extent as customer-facing technology such as web chat. As a large amount of interaction analytics is done historically, the immediate benefits to the customer may not be as apparent.

Despite the wider and more powerful functionality that **automated speech recognition** (ASR) gives to an IVR system, significant inhibitors are present. It is generally acknowledged that speech recognition can be considerably more expensive to implement than DTMF IVR, and is also likely to require significant, highly-paid in-house resource to fine-tune and operate it going forward. Some solution providers note that the majority of businesses' interest in moving from DTMF to speech recognition comes when the existing telephony self-service legacy system is approaching end-of-life.

Speech-based IVR is particularly useful in cases where very long lists of items such as place names or surnames may be chosen, for which the more structured DTMF IVR is unsuited. The success or otherwise of speech-based IVRs is very affected by how callers are encouraged to use the service. It has been the case that some speech implementations have actually made life more difficult for the customer, who may not have the confidence that the system will understand their natural language request and provide very short, one-word answers; if nothing is given in the way of prompts or examples, callers may give too little or too much information as they are unsure of the sophistication or capabilities of the system, and this may be a reason for high self-service abandonment rates. Using prompts such as “describe in a few words why you are calling us, for example ‘to start a new mortgage application’” can be useful in setting ground rules for successful use.

Survey respondents are generally quite positive about the effect that speech recognition has had on the customer experience.

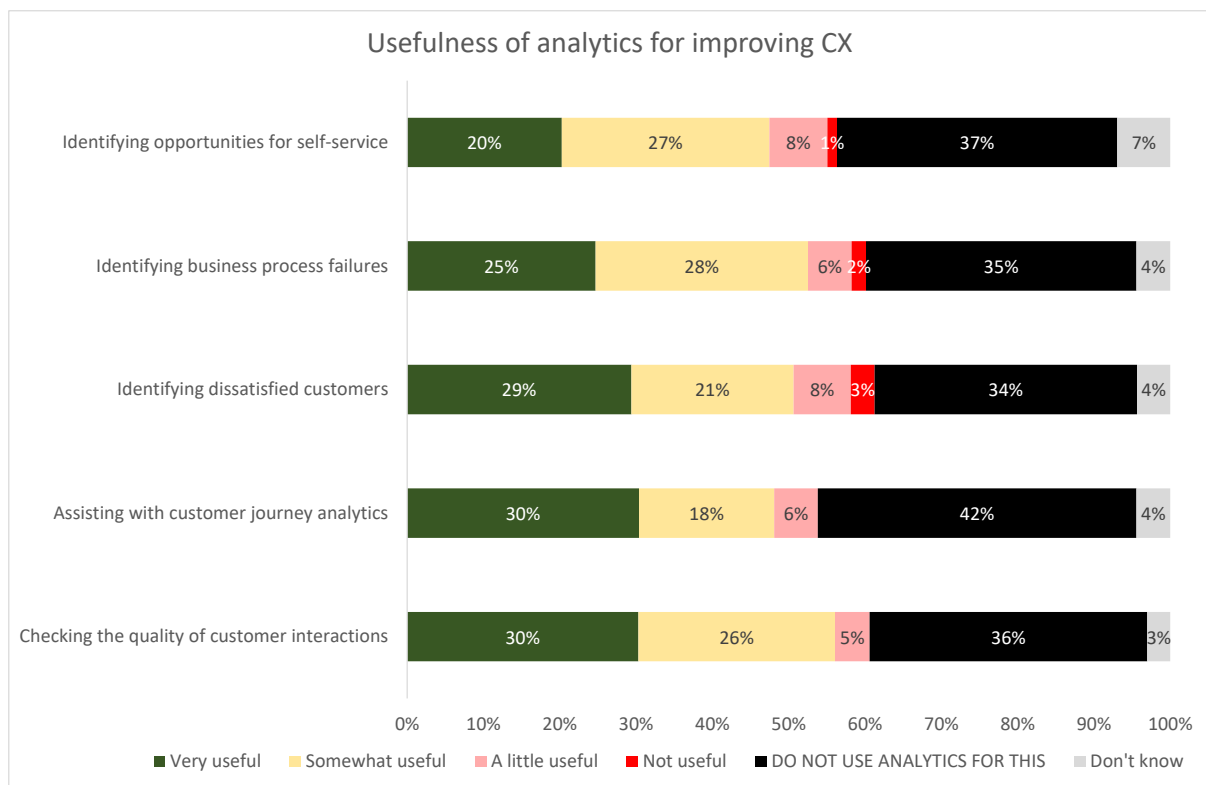
The feeling amongst respondents is that **IVR** is somewhat less beneficial to the customer experience, despite its widespread prevalence. IVR was typically implemented as a cost-saving measure, rather than something to improve the customer experience, and although visual IVR promises to benefit both business and the smartphone-owning customer, its uptake is currently low.

THE ROLE OF ANALYTICS IN CUSTOMER EXPERIENCE

Customer interaction analytics offers huge opportunity to gain business insight, improve operational efficiency and develop agent performance. In fact, the list of potential applications for this technology is so high that businesses could be forgiven for being confused about how to target and quantify the potential business gains.

Organisations using analytics were asked how useful the solution was for improving various aspects of the customer experience, either directly, or through improving internal processes which then had a impact upon the overall customer experience.

Figure 39: Usefulness of analytics for improving CX



The overall conclusions were surprisingly consistent: in most analytics use cases, a little less than half of respondents stated that it was 'very useful' with a similar percentage saying that it was 'somewhat useful'.

Assistance with customer journey analytics gained the greatest proportion of very positive responses where used.

WHAT DOES CX MEAN TO A CUSTOMER?

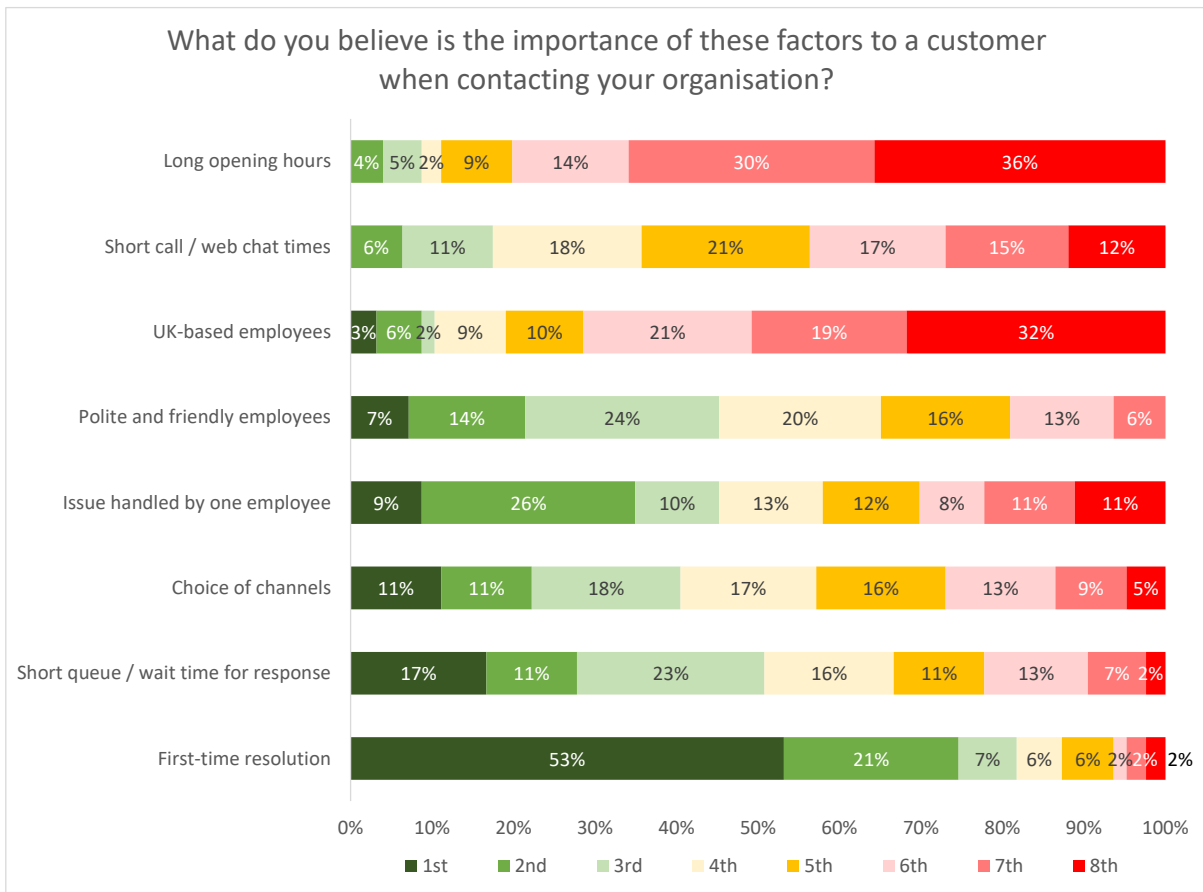
It is difficult for an organisation to be confident about which of the many elements that go towards a great customer experience are actually the most important, and consequently should receive the greatest investment and resource.

This section looks at the importance of key factors which occur within the customer experience when a customer contacts an organisation, from the perspective of the business and also from the customer.

THE VIEW FROM THE BUSINESS

Organisations were asked to rank by importance eight factors that could be said to impact upon customer experience.

Figure 40: What do you believe is the importance of these factors to a customer when contacting your organisation?



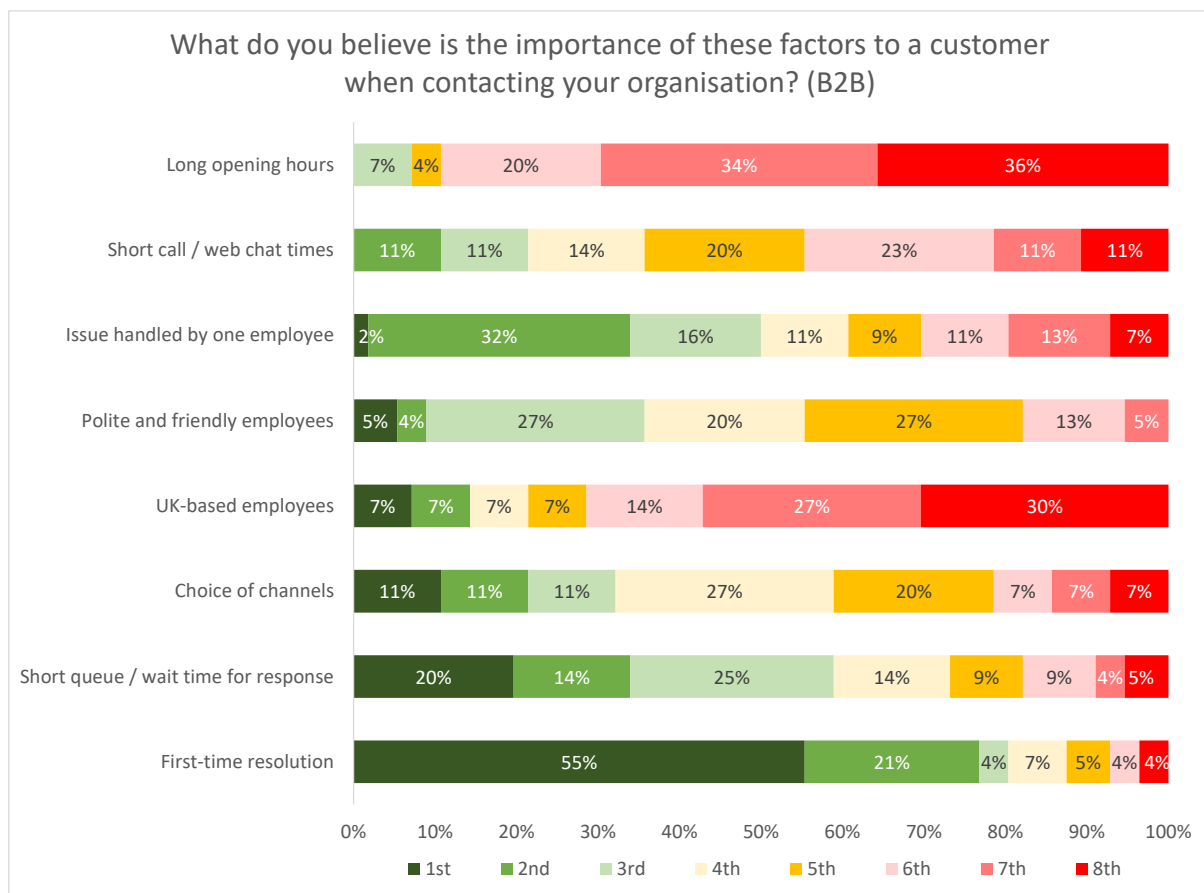
As with many past ContactBabel surveys, first-time resolution was clearly seen as being the most important factor impacting upon customer experience, with 53% of respondents ranking it in first place, and a further 28% placing it within the top three.

A short queue time or wait time for a response was also seen as being important, being ranked in the top 3 by 45% of respondents, with polite and friendly employees being ranked in the top 3 by 51% of organisations surveyed. Having the issue handled by a single employee was placed in the top 3 by 45% of respondents, as was having polite and friendly employees.

Looking at responses based on B2B/B2C segmentation, B2B respondents were more likely to judge a short queue/wait time for response as being important, and also placed slightly more emphasis on having the issue handled by one employee.

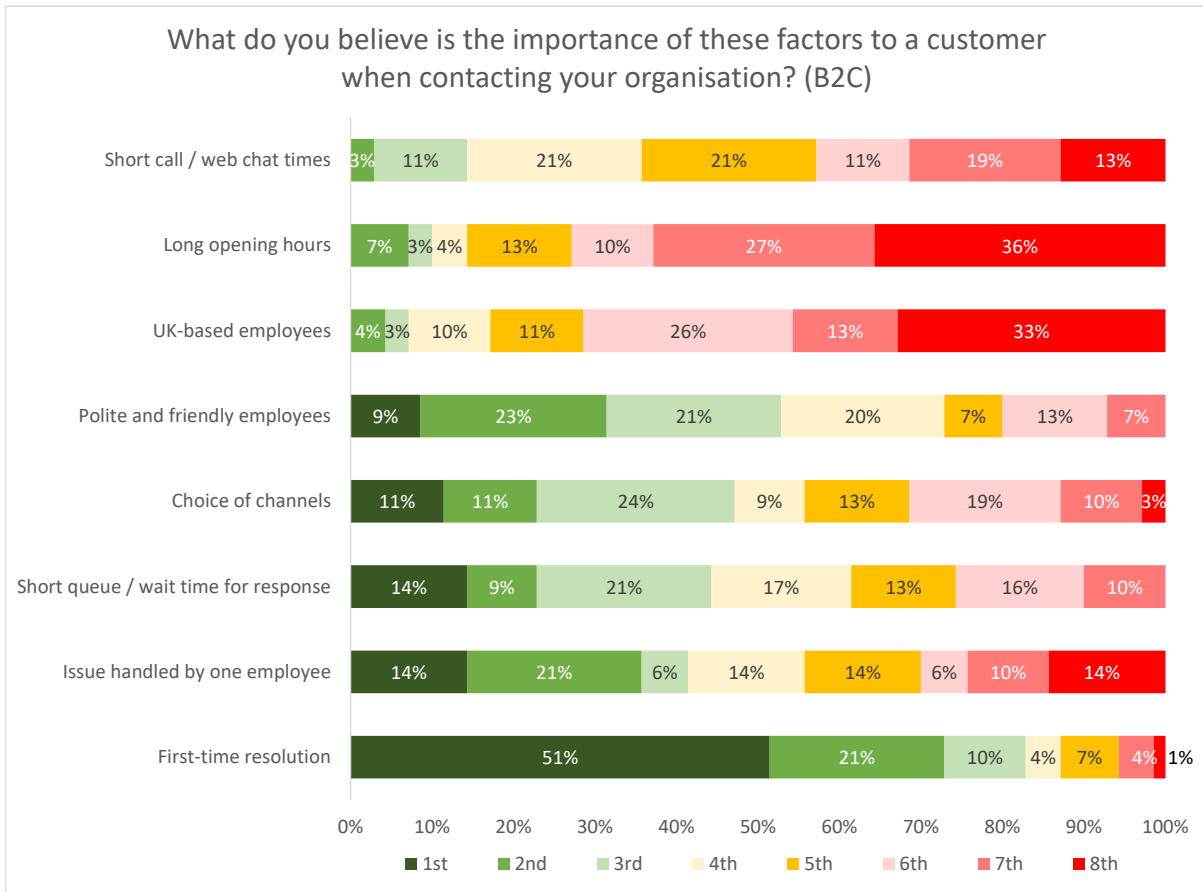
Long opening hours were rarely seen as an important part of improving the customer experience, probably because the nature of the customer base is that they will only wish to talk to an organisation within their own working hours.

Figure 41: What do you believe is the importance of these factors to a customer when contacting your organisation? (B2B)



There is little major difference between B2B and B2C respondents in this analysis: B2C are a more likely to believe that having a choice of channels makes a difference, and that polite and friendly employees are important to the B2C customer experience, but there are few real differences of opinion.

Figure 42: What do you believe is the importance of these factors to a customer when contacting your organisation? (B2C)



The following section considers these elements of the customer experience from the perspective of customers themselves, and there are some significant differences of opinion between organisations and customers on what impacts the most on customer experience.



The Transformation Imperative

Right now, contact centres find themselves staring into a widening customer experience credibility gap.

By Tony Lorentzen GM & SVP, Intelligent Engagement, Nuance Enterprise

A recent study by Frost & Sullivan revealed a startling disparity between customers' perceptions of the experiences they receive and companies' perceptions of the experiences they deliver. Just 3% of consumers said they're never frustrated with customer care, but 90% of contact centre managers say their agents are doing a good job.

It's clear that brands are failing to meet customers' expectations—and transforming the contact centre is now more urgent than ever.

Contact centre transformation isn't optional

Customers expect more than they're currently getting. They're not willing to tolerate the frustrating, disjointed experiences of the past—they want connected, intelligent experiences, regardless of how they choose to engage with your brand. Customers don't view their interactions with your business as multiple experiences; they see them as one experience, and they expect them to feel seamless.

More than that, they expect you to know who they are and what they want to accomplish (without having to repeat it every time they transfer between channels or agents), so they get an effortless, personalised experience and a fast resolution.

To increase customer retention and lifetime value, contact centres need to invest in continuous, customer centric digital transformation. And these initiatives can have a significant impact—on the customer experience and on your bottom line. Just ask the 91.6% of companies that saw an increase in customer loyalty after a digital transformation. Or the 84.4% that experienced increased revenue as a result of transforming.¹

It's an evolution, but it's still revolutionary

Every contact centre transformation looks different; it all depends on where you start. But wherever you start from, it's an evolution. It's an ongoing series of optimisations and technology deployments that, among other things, help increase agent utilisation and performance, and improve the customer experience.

Whether it's adding chat or a virtual assistant to a traditional call centre, or implementing omni-channel predictive conversational experiences, all digital transformations are major undertakings. But there are a few success factors they all have in common.

Start small, think big

It can be easy to become overwhelmed by the enormous possibilities that digital innovations offer for contact centres. But whatever your own transformation looks like, it's important to take it in bitesize pieces—fix one part of the customer experience and then grow your capabilities from there.

And remember that transformation never stops. It's a continuous process of optimisation that involves constantly looking at your operations and asking questions like:

- How can we be more effective in the most cost-effective way? And how will we measure our success?
- What new tools, processes, and delivery mechanisms do we need to bridge the customer experience gap?
- Are we achieving the goals we set for our transformation initiatives?
- Do we need to adjust our approach or pivot to a new one?

It's by finding the answers to those questions—and regularly analysing your progress—that you can deliver great experiences at the lowest cost to serve. And that's what will turn your contact centre from a cost of doing business into an important profit driver.

For more information visit nuance.co.uk or email cxexpertsemea@nuance.com.

¹ 1 The Evolution of Customer Experience: A Look Ahead to 2020, Dimension Data, 2018

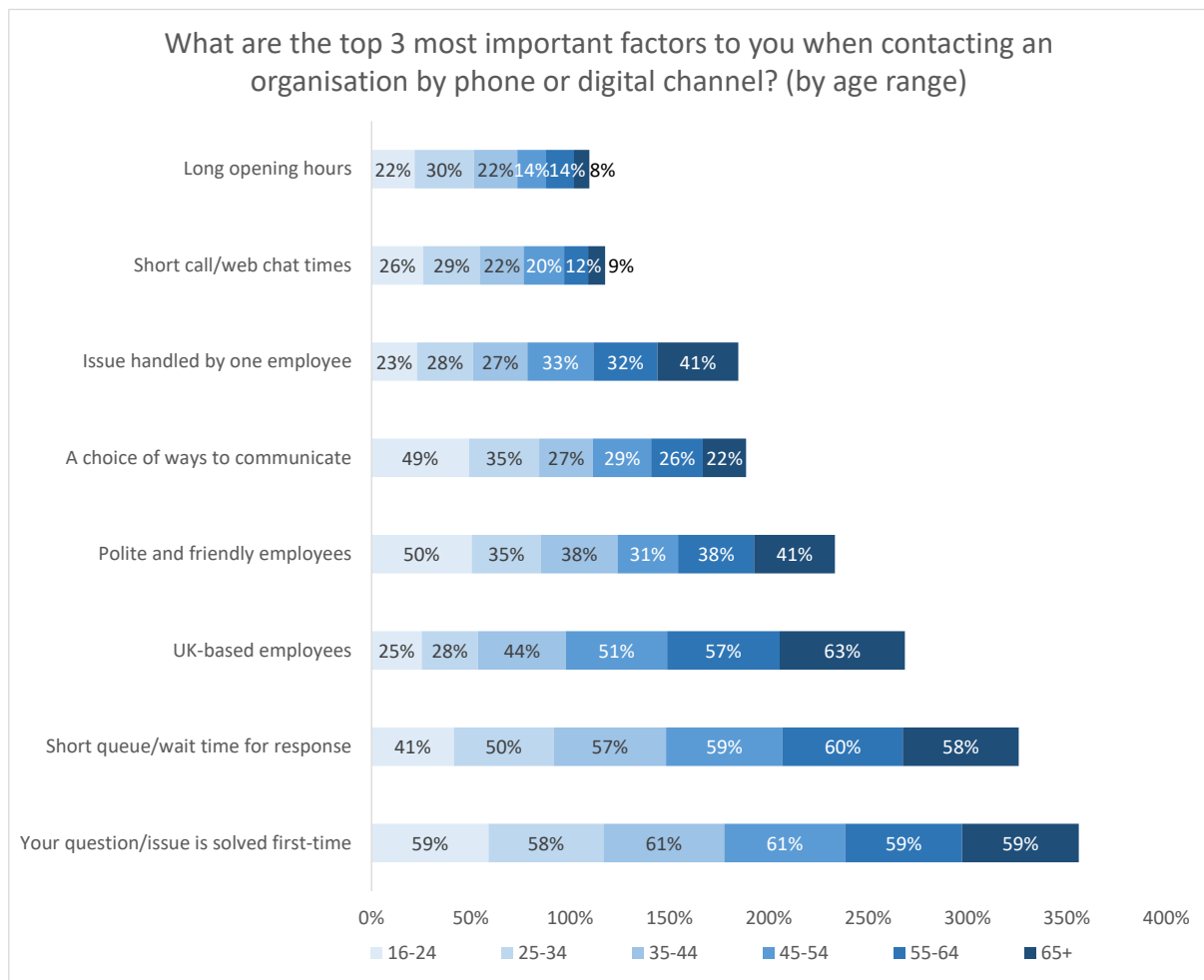
THE VIEW FROM THE CUSTOMER

ContactBabel commissioned the research firm [Aurora Market Research](#) to carry out a survey of 1,000 UK consumers. One of the purposes was to identify any differences in opinion between organisations and customers about what were the most important customer experience factors when contacting an organisation.

As such, consumers were asked to state which were the top three most important factors to them when contacting an organisation, with the same factors presented to them that had been offered to organisations within the business survey which most of this report is based upon.

Figures below are expressed as the percentage of each age group that expressed an opinion.

Figure 43: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by age range)



The previous chart shows the importance of various customer experience factors as an aggregated bar chart, segmented by age so as to show the factors that were of most importance to customers in each age range. Aggregating the results allows an understanding of which factors were placed in the top three overall, while also providing insight on age-related opinion.

For example, 41% of the youngest age group (16 to 24 years old) stated that having a short wait time for a response was one of their top three most important factors, whereas 58% of the oldest age group (over 65 years old) placed this in their top three.

This consumer research has some interesting findings when comparing consumer attitudes to businesses' beliefs:

- both businesses and consumers agree that first-contact resolution is the most important single factor impacting upon customer experience when contacting a business
- a short queue/wait time for response is also seen as being a vital part of the customer experience
- having UK-based employees is seen as far more important to customers than businesses believe.

When considering these findings from the perspective of the various age ranges, the importance of first-contact resolution is very similar across all age ranges, which is a change from previous years when older demographics felt this to be much more important.

The requirement for UK-based employees has dropped considerably this year, especially amongst the younger demographic. There is also a pattern that older age-groups are less likely to be happy with being passed between agents.

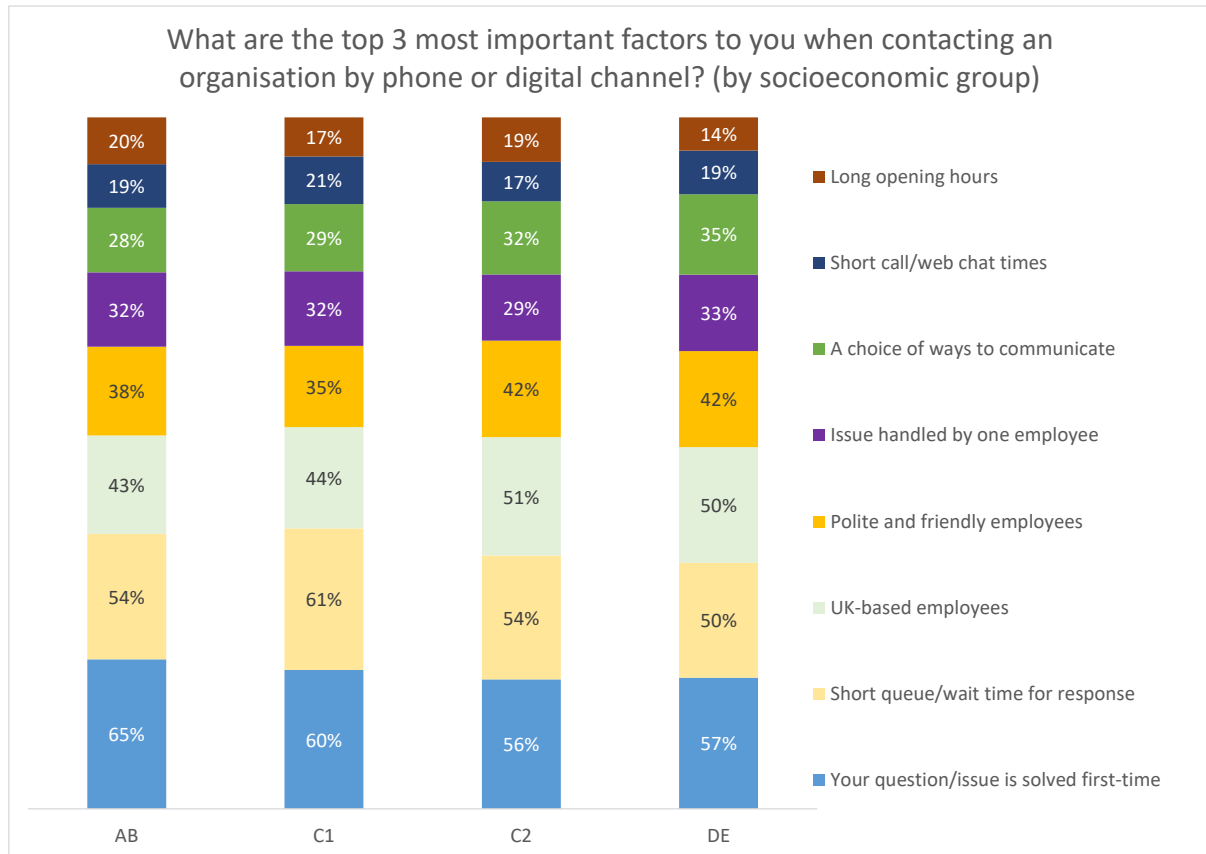
Younger customers place more importance than the older generation on longer opening hours, and are also much more likely to value having a choice of ways to communicate with the organisation. Further evidence for this age group's valuing of its time can be seen in relatively high importance being placed upon short call/web chat duration compared to the older generation.

However, the youngest age group are not willing to sacrifice courteous service for time saved, as 50% of this cohort place 'polite and friendly employees' in the top three factors, making it their second most-important factor. This may be because the youngest age group have the least experience of dealing with businesses and contact centres, perhaps lacking some of the confidence that comes with years of speaking with businesses, and to have a friendly and approachable agent seems to be valued very highly.

When segmenting the consumer data by socio-economic group, the ABC segment seems to value longer opening hours more than the DE group, and C2DE seems to value UK-based employees more.

AB respondents value first-contact resolution the most, but there is very little significant difference between socio-economic groups this year.

Figure 44: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by socioeconomic group)



FIRST-CONTACT RESOLUTION RATES & CUSTOMER EXPERIENCE

Both the surveys of organisations and customers show clearly that first-contact resolution is the primary driver of positive customer experience. Yet first-contact resolution rates are not simple to understand, but have to be viewed in context. An improving business may well see its FCR rate actually decline after it implements process improvements, which is counter-intuitive, but if the business had been handling live calls that were more suited to self-service or avoidable through better marketing communications, getting rid of these 'easy' calls entirely will make the FCR rate decline. If many calls are about the same issue, and are answered quickly and accurately, it improves FCR rates, but of course piles up cost and impacts negatively upon other performance metrics, such as queue length and call abandonment rate.

Businesses should consider the reasons for these unnecessary calls, rather than just focusing upon a single metric, as high first-contact resolution rates may actually be masking underlying problems:

- The contact centre is handling simple and repetitive calls that could be moved to self-service, or which could be addressed on a website and through better marketing communications
- Callers are dropping out of self-service to speak with agents because the self-service application is failing in its task and should be re-engineered
- Unclear marketing communications are causing customers to call
- Calls are being received that are actually driven by mistakes from elsewhere in the enterprise.

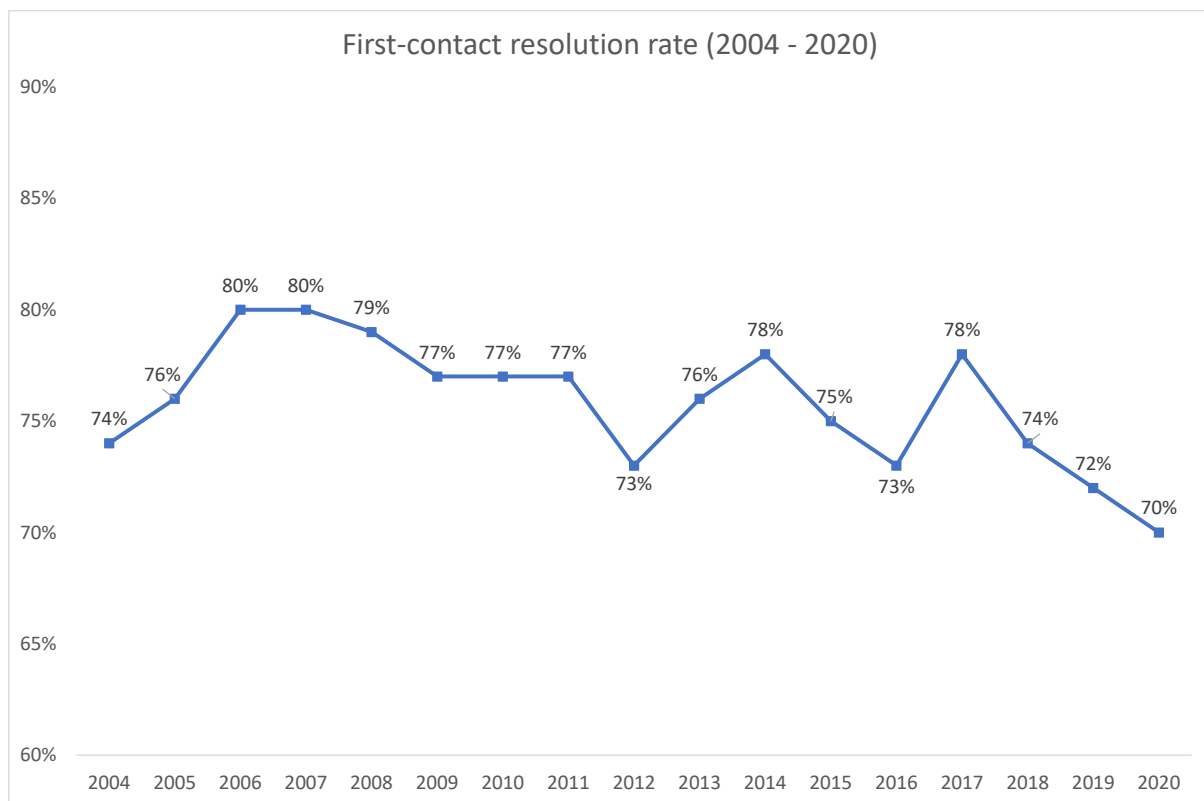
When businesses begin stopping unnecessary calls at the source, those left are usually of a more complex nature. This will lower first-call resolution rates initially, allowing a clearer picture of what is really happening in the contact centre to emerge, which can then be addressed more fully.

The dramatic drops in first-call resolution rate (FCR) in 2012 and 2016 seem to have been more of a statistical blip than a fundamental change, with the mean average over most of the time covered being 75-76%.

However, recent years have seen the overall trend line for declining: as the easier interactions go to self-service (especially online), the contact centre is left with more difficult and varied tasks – through email as well as phone – which can also be very complicated to categorise effectively using the current tools available to most.

As the contact centre adapts and invests in better ways of handling customer requests, first-contact resolution rate increases and parity resumes. The exodus of ‘easy’ work to self-service channels may not be quite balanced by immediate balancing improvements in knowledge sharing and other agent support processes that would mean stable first call resolution rates.

Figure 45: First-contact resolution rate (2004 - 2020)



The first-contact resolution rate is an important metric to study, being concerned both with the customers' experience as well as avoiding unnecessary calls. However, it is very difficult to measure effectively, with no single best practice method of getting definitive statistics that are directly comparable to the rest of the industry. This difficulty is shown by the fact that ten years ago, perhaps half of contact centres responding to this survey did not collect FCR performance at all, and now the large majority do.

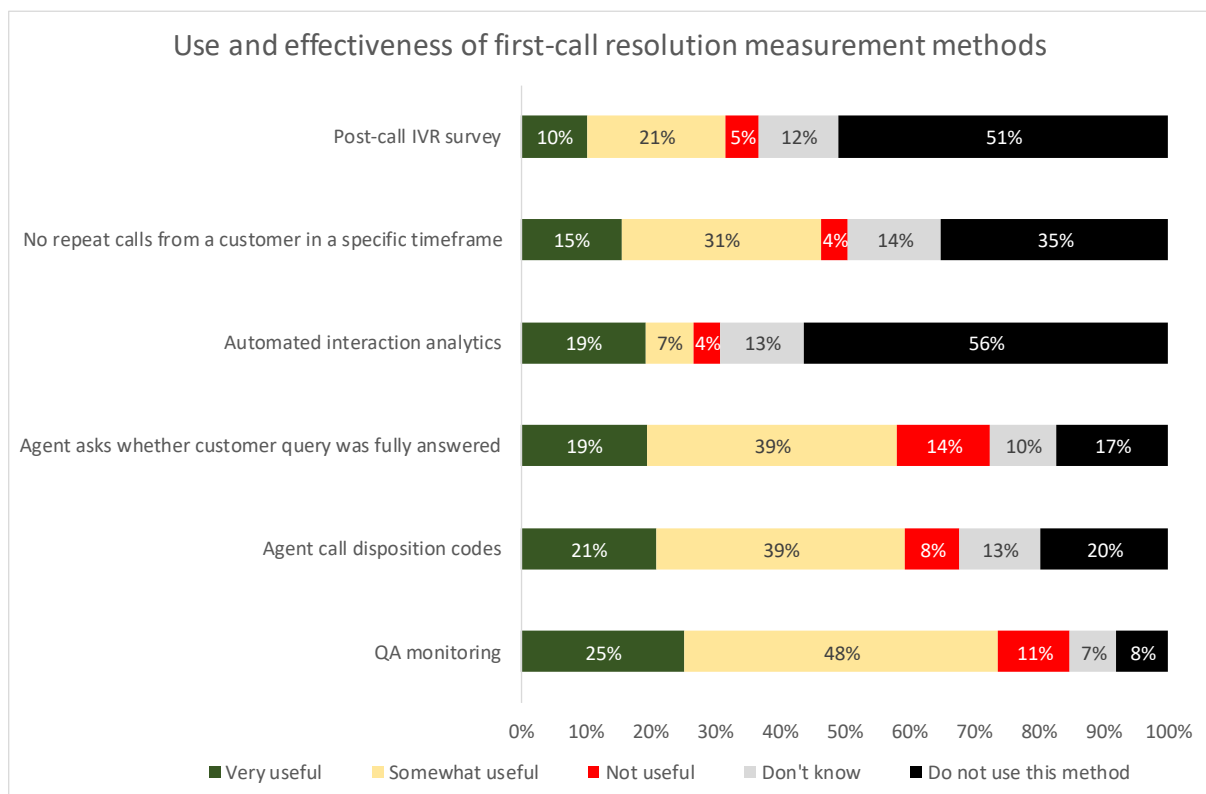
Of those that do, there are various ways to measure, or at least closely estimate, first-call resolution rates:

- Agents provide opinions on whether the call was resolved completely, including tagging the interactions with a disposition code at the end of the call (used by 67% of respondents)
- Tracking of issues shows if they are re-opened (51%)
- Supervisors monitor calls and score based on their opinion (85%)
- Customers can be asked their views by the agent (73%) or through an IVR survey (37%)
- Analytics of interaction recordings can be used to see whether the call was actually resolved or more interactions were needed (30%).

ContactBabel’s report, [“The Inner Circle Guide to First-Contact Resolution”](#) looks in depth at how to measure and improve FCR.

The accurate tracking and actionable insight of FCR is one of the biggest challenges to the contact centre industry: it is key to customer satisfaction and cost management, and it is clear from the following chart that no single method of measuring FCR is seen as being particularly impressive.

Figure 46: Use and effectiveness of first-call resolution measurement methods

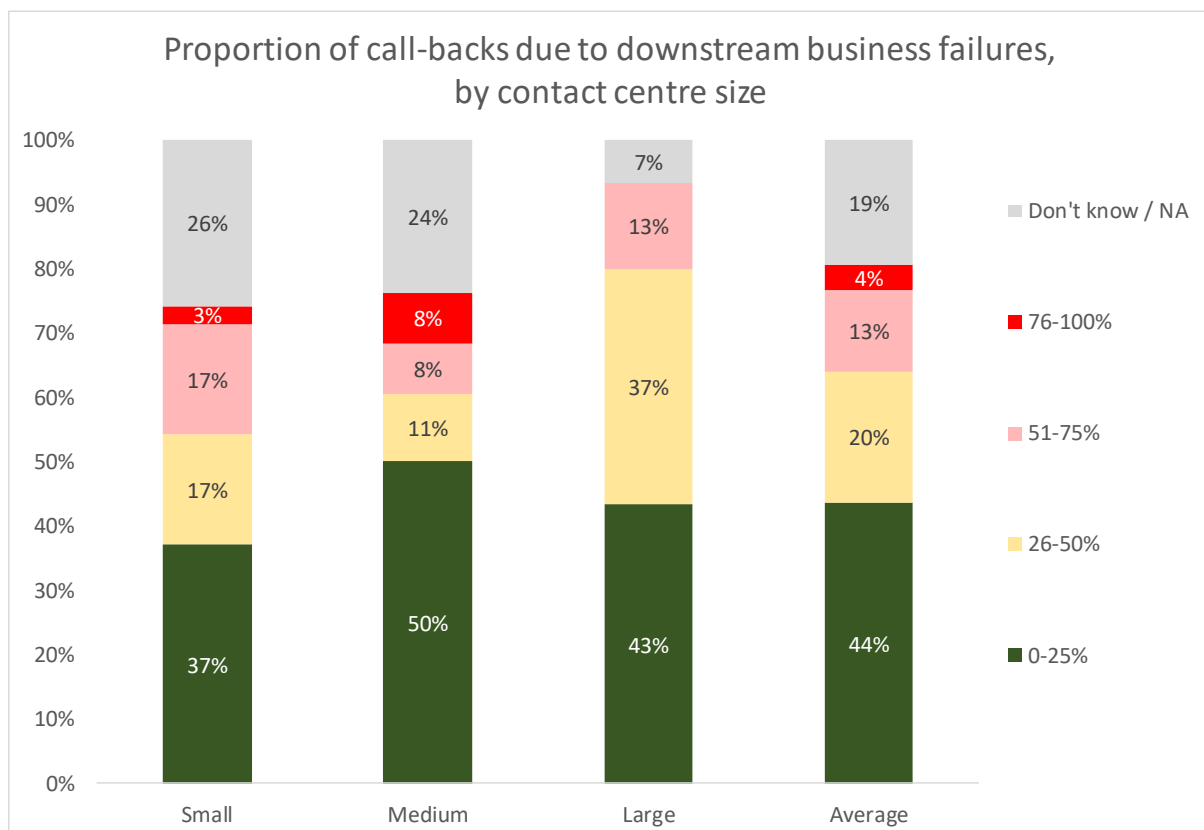


QA monitoring, the most widely-used form of gathering first-call resolution information, is seen as reasonably effective, but it is the automated analysis of call recordings that is considered the most effective by those respondents that use this method of calculating first-contact resolution. Other methods have their supporters and detractors, with tracking repeat calls being quite well thought of.

It is worth noting that the majority of contact centres who track first-call resolution do so **only** based on the initial telephone call itself: that is, they do not check whether the action or business process initiated by the call has been followed through successfully. Most complaints received by a contact centre are about the failings of the wider business (usually around 80%), so focusing entirely upon the work done within the contact centre is missing the point of measuring first-call resolution.

The following chart shows that some contact centres are receiving a significant proportion of their repeat calls due to failures in downstream processes and actions, showing that there is a real need for joined-up processes between the front and back-office as well as between channels.

Figure 47: Proportion of call-backs due to downstream business failures, by contact centre size



However, even if FCR can be measured successfully and accurately, this figure is still not necessarily actionable: we do not always know why some calls are not resolved first-time. Without a greater level of insight, contact centre managers may not be addressing the real issues that are impacting on customer satisfaction and the effectiveness of the operation.

In the near future, we expect to see an even greater use of the power of interaction analytics being directed at understanding why customers contact a business multiple times.

OMNICHANNEL AND THE CUSTOMER EXPERIENCE

LIVE OR AUTOMATION?

Artificial intelligence (AI) is a wide-ranging term for technology solutions which appears to emulate human cognitive capabilities through the ‘understanding’ of complex, natural language requirements, in order to reach its own conclusions and develop itself based on what works and what doesn’t. Machine learning refers to the ability of software to evolve based on measuring its performance and success, without input from humans.

Within the customer contact space, there is a great deal of interest in how AI & machine learning can work to deliver a superior customer experience at every hour of the day, across channels, leveraging the vast amounts of data that are available to many large organisations. Supported by the speed and availability of affordable processing power, and the enormous amount of structured and unstructured data available, the opportunity exists for AI to take customer contact far beyond what is feasible now.

AI for customer contact is currently best known for chatbots, a computer program that runs automated tasks and simulates conversation with the customers. It may be given a human avatar and personality characteristics, and includes natural language processing, dialogue control, access to knowledge bases and a visual appearance that can change depending on who it is talking to, and the subject of the conversation. Chatbots are often found in the web chat channel, but the functionality can be used in any other digital channel, such as social media, email or even voice self-service.

As AI can be given access to all of the relevant data a company holds on its customers, as well as unstructured data held elsewhere (for example, forums or social media channels), it has a far wider source of knowledge from which to draw compared to human agents. In theory, an AI with sufficient sophistication could make human agents all but unnecessary, but for the foreseeable future, AI looks mainly to be used to work alongside its human colleagues.

In order to gauge the level of acceptance and expectation around fully-automated customer contact, UK organisations and consumers were asked whether automation or human assistance would be preferable to the customer base in circumstances where the customer effort, time and outcome were **exactly the same**. Although the question is quite hypothetical – automated channels usually require far less effort and time than human interaction, but often cannot deliver the same functionality – the findings were quite surprising considering the popularity and recent uptake of automated self-service.

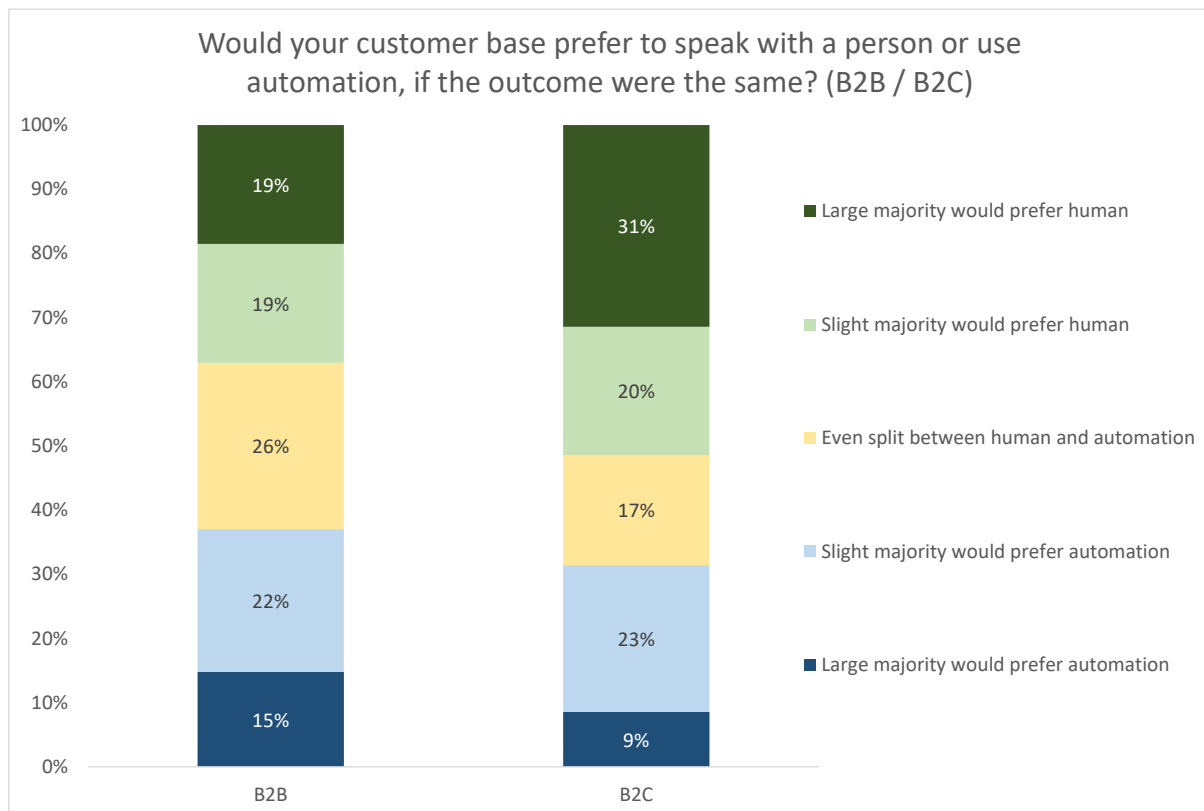
THE VIEW FROM THE BUSINESS

Organisations surveyed for this report tended to believe that their customer base would prefer to speak to a person rather than use automation, even if the outcome and effort were the same.

This was particularly the case for B2C respondents, of which 51% said that a majority of the customer base would prefer human contact over automation, against 32% who would prefer automation.

B2B respondents were more evenly divided, with 38% believing that a majority of their customer base would prefer human contact to some extent, against 37% who thought that automation would be preferred.

Figure 48: Would your customer base prefer to speak with a person or use automation, if the outcome were the same? (B2B / B2C)



At a vertical market level, those in the retail and public sector were most likely to believe that human contact would be preferred, with many of those in finance, TMT and manufacturing believing that their customers were more likely to choose automation.

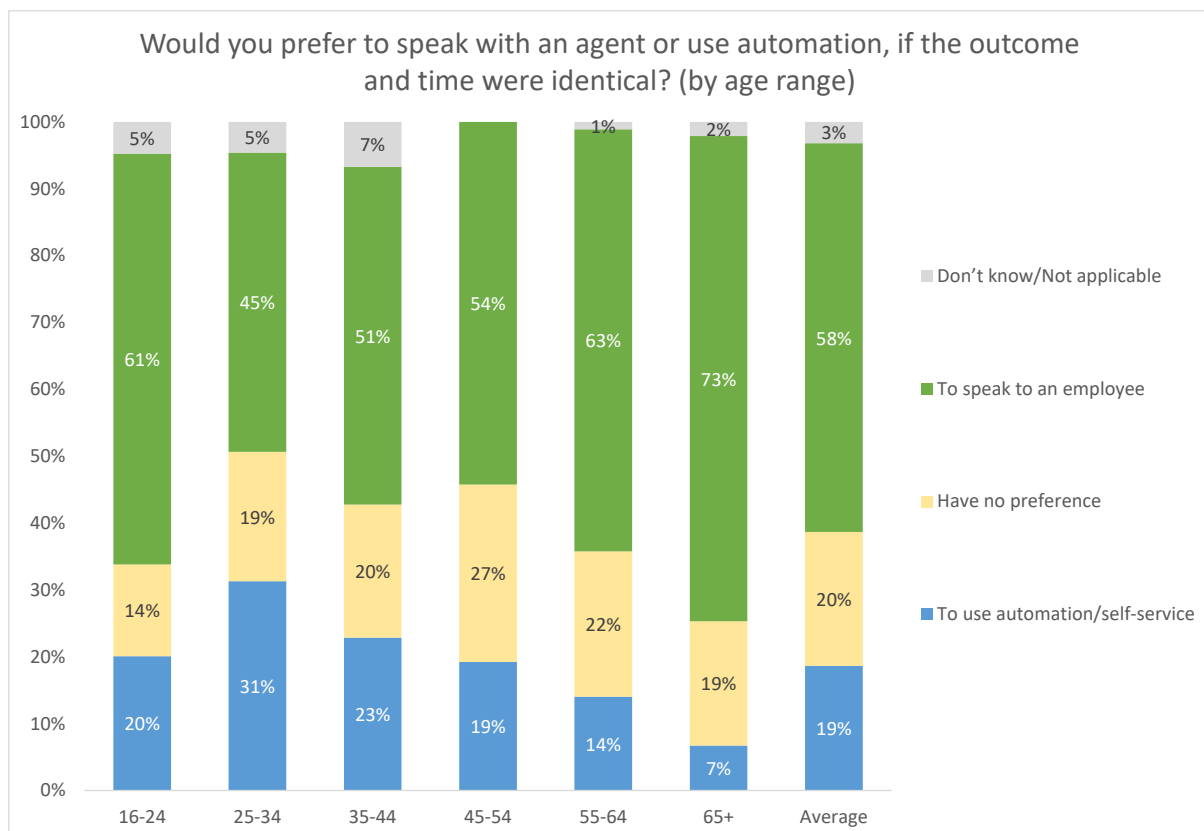
THE VIEW FROM THE CUSTOMER

When the same question was asked of customers, it was found that the customer base was even more strongly in favour of speaking to a human employee than businesses had believed.

Looking at the age group of the customer base, older demographics feel more strongly about human contact, with 25-54 year-old customers being the age groups most likely to have no preference or to choose to use automation. This fits in with the previous findings that this section of the customer base places more value on their time, whereas the older demographic prefers to have their issue resolved first-time by a single employee. Interestingly, the youngest demographic still feels the need to speak with an agent, perhaps as they are relatively less experienced than middle-aged customers.

Bearing in mind that this question emphasized that the outcome and customer effort/time **would be identical** in each case, the results show that the customer base at present is not yet at a stage where automation is generally seen as being even on equal terms with human contact, let alone the preferred method of contact with a business, and that the human touch is still very much valued.

Figure 49: Would you prefer to speak with an agent or use automation, if the outcome and time were identical? (by age range)



Further analysis of this data showed that 58% of men preferred to speak with an employee, compared to 59% of women.

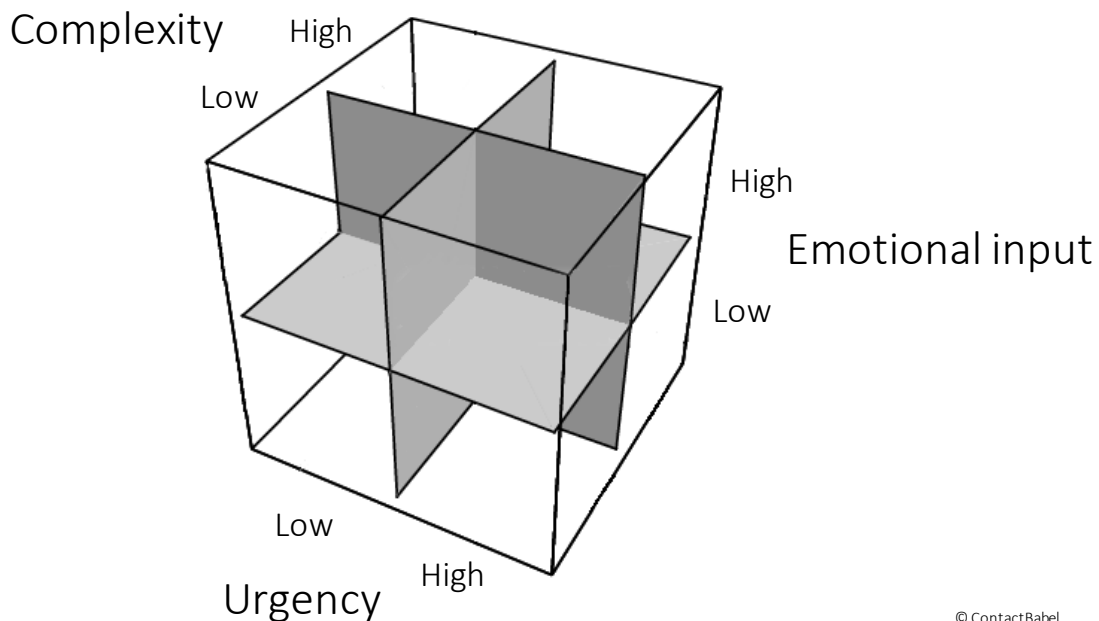
At a socio-economic level, 21% of the AB class would prefer automation, compared to 15% of the DE group.

OMNICHANNEL: THE CONSUMER'S CHOICE

There are two main factors that influence contact centres within any vertical market: the commercial activity within that sector, and customers' requirements and preferences for contacting organisations. It is not only the nature of the specific business vertical market that needs to be considered. The urgency, complexity and emotional importance of the interaction is perhaps at least as important as the nature of the business that is being called: for a customer calling a bank, a simple balance request and an urgent call about the progress of a mortgage application are very different types of call, and should be treated as such.

The Customer Interaction Cube (below) is a structure developed to categorize the different types of customer interactions that businesses have to handle, considering the urgency, complexity and emotional input of the interaction from the customer's perspective. Businesses could use this to analyse their volumes of each type of interaction, cross-referencing it with other variables such as the time of day these types of interaction are received, and the customer demographic preferences seen elsewhere in this report in order to support the relevant channels through the promotion of alternatives to live calls, and the correct levels of resourcing. Doing this will not only improve the customer experience, but also reduce the cost of service through anticipating the likely resourcing required and even proactively engaging with the customer on lower cost channels first.

The Customer Interaction Cube



Using this 2x2x2 cube as a structure, there are eight types of interaction, a combination of either low or high urgency, complexity and emotional input. Our hypothesis is that each of these eight interaction types may best be suited to specific channels, and that both business and customer could benefit from matching channel with interaction type.

The examples shown below of various scenarios and the channels most suitable for these are suggestions, and will differ between customer types, businesses and vertical markets, but may offer a tentative framework for readers to build their own scenarios. It should be noted that the results of the customer survey that follow this section suggest that different age groups and socioeconomic segments have their own views on how they prefer to contact a business in each of these cases. Primary and secondary channels are suggested, but will differ between organisations and customer types.

Figure 50: The Customer Interaction Cube and suggested associated channels

Emotional importance	Urgency	Complexity	Examples of interaction	Primary channel	Secondary channel
Low	Low	Low	Meter reading; casual product research	Self-service	Web chat
Low	Low	High	Instructions on how to program a TV remote; find out about proposed planning / house building	Email	Phone
Low	High	Low	Top up mobile credit; check payment has been made	Self-service	Phone
Low	High	High	Details of how to make an insurance claim; understand mobile roaming charges before imminent trip abroad	Web chat / self-service	Phone
High	Low	Low	Book train tickets for important engagement	Self-service	Phone
High	Low	High	Complaint about incorrect billing	Phone	Email
High	High	Low	Simple question about imminent desired purchase (e.g. delivery, personalization, return policy)	Web chat	Phone / social
High	High	High	Household emergency advice; 999	Phone	Web chat

There are many other variables that could be considered alongside these that will impact upon the suitability of channels:

- Demographics
- Ownership of smartphone / broadband impacts upon channel availability
- Time of day (i.e. is this an out-of-hours enquiry? Is the customer at home, at work, or travelling?)
- Whether the request is specific to an account, or a generic issue (i.e. is it necessary to pass through security first?).

While the 2x2x2 cube can help businesses to estimate the current and potential volumes and resourcing required to serve the customer base, it is important to remember that similar types of customer interaction may require very different handling depending on circumstances. For example, a query about product delivery may be a small part of a wide-ranging research process carried out by a particularly thorough prospective customer, or may be asked by a customer who has just realized they've forgotten about an important birthday and needs immediate, accurate information.

McKinsey talks about the 'moment of truth' in customer interactions¹, often occurring when the customer has an unexpected problem or has a high emotional stake, when long-term loyalty and customer advocacy can be won or lost depending on the outcome and the way in which it is handled. Businesses and their representatives should be aware that these relatively rare occurrences offer great opportunities. Recognizing and handling these moments of truth appropriately – moments which are defined as such by the customer, not the business – will have a far greater long-term impact on customer satisfaction and loyalty than the dozens of competently-handled, forgettable interactions that may have happened previously.

Although the 2x2x2 cube gives some indication of the types of interaction that are more likely to be 'moments of truth', which businesses may choose to be handled by their more experienced and empathetic agents, they are by their nature difficult to predict. Current real-time speech analytics solutions can indicate a measure of stress in the customer's voice, flagging this up to the agent within the call, but agents should be in any case capable of recognizing this without technology. In any case, if the customer has already tried two or three other channels without success, even the most competent and empathetic agent will find it difficult to turn the moment of truth around positively.

¹ <http://www.mckinsey.com/business-functions/organisation/our-insights/the-moment-of-truth-in-customer-service>

For this reason, a true omnichannel approach is vital which offers the same high level of service and knowledge through each channel. Equally important is the freedom for agents to act in way appropriate to the situation – for example, if a ‘high-emotion’ interaction happens on social media, which can’t be handled on that channel (e.g. it needs to go through security, or is too complex and lengthy for a non-voice channel), the agent should be given the license to place an outbound call to that customer in real-time, rather than advise them to call the contact centre. While this will impact upon the social media channel’s service levels while the agent is away from it, the moment of truth offers the opportunity to lock-in that customer’s loyalty. For contact centre operations traditionally run on a structured command-and-control basis, this may sound chaotic, but businesses have to decide if the occasional relaxation of their own procedures is an acceptable trade-off for providing the customer with something that they truly value. Agents need to be given *carte blanche* to deliver in ‘moments of truth’, and the training and support to recognize when this is happening.

This is not to say that ‘moments of truth’ necessarily have to be handled by a live agent. The popularity of self-service runs deep in the customer base, and the only reason that many customers abandon self-service at the point of crisis in order to ring the contact centre is only because self-service cannot deliver what they need. If companies focused their efforts on providing more sophisticated and reliable self-service applications, there is no reason why these could not deliver at least as much customer benefit at these moments of truth.

For example, if a passenger misses their plane, they are then likely to engage in a long and complicated discussion with a live agent (either at the airport or in a contact centre), involving alternatives, connections and payments. If, on missing the last call for the plane, the customer were immediately provided with an SMS or email detailing the various options available to them, which they could then select and rebook at once, this would be more convenient for the customer and significantly reduce the cost of service to the business. Perhaps more importantly, the customer would feel that the airline is looking out for them, creating long-term loyalty out of the negative experience of missing a plane.

The survey of 1,000 UK consumers carried out for this report attempted to understand which the channels of preference would be in cases of high emotion, urgency and complexity through presenting survey respondents with three hypothetical scenarios:

High emotion: notifying a company that an incorrect item has been sent to them. This was chosen as a high emotion interaction as being sent an incorrect item is often frustrating, as not only has the desired product not arrived, but the customer is then left with the problem and effort of returning the item. This is not a particularly complex interaction, and in many cases will not be particularly urgent.

High urgency: checking the arrival time of a flight that the customer is meeting. This is likely to be an urgent interaction as it is very time-sensitive. Complexity is very low - as the required information is simply a time - and in the majority of cases, should have a fairly low emotional impact.

High complexity: receiving guidance on completing a mortgage application or tax form. This is likely to be a complex and long interaction, but is unlikely to have high levels of urgency or emotional response.

HIGH EMOTION INTERACTIONS

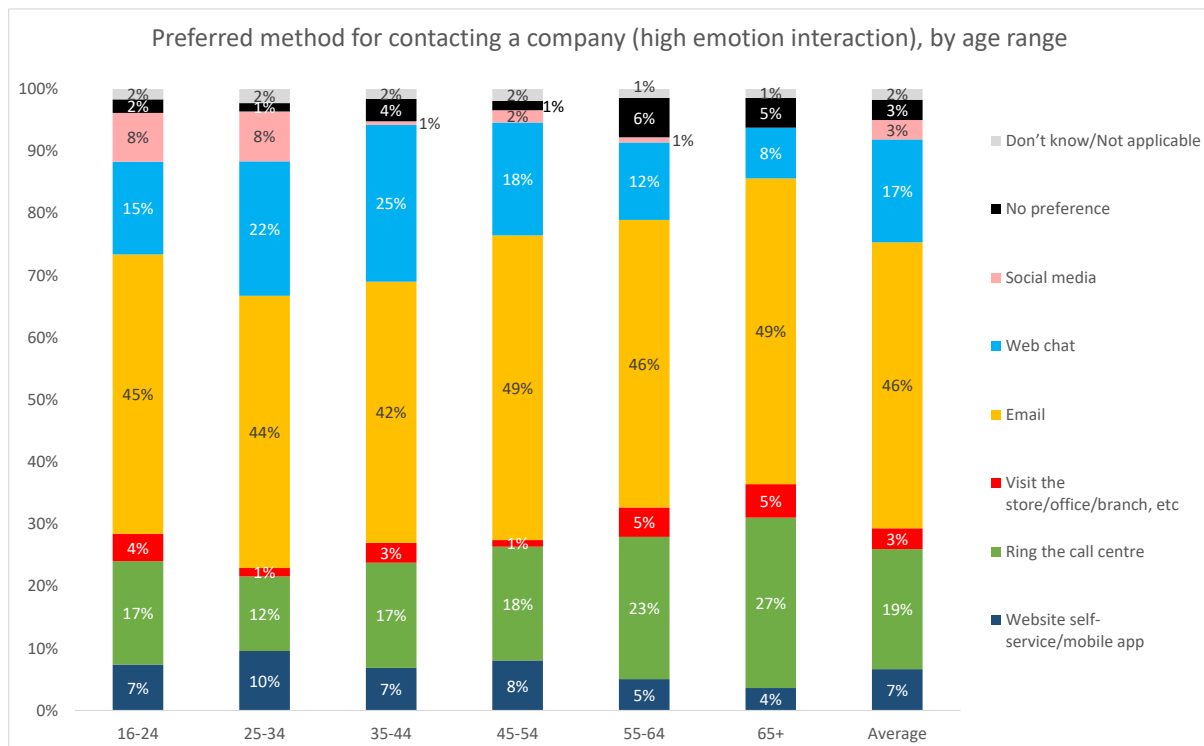
Consumers taking the survey were asked to imagine that a product they had ordered from a company had arrived but was incorrect. In this circumstance, they were asked which would be their preferred method for contacting the company to notify them that this was the case.

The most popular option was to email the organisation, with 46% of respondents choosing this method, the same as in 2019. The second most popular, at 19%, was phoning the contact centre, and web chat also made a strong appearance, with 17% respondents choosing this as their preference.

There was a strong pattern based on the age of the survey respondent and their preferred channel: the older demographics were far more likely to pick up the phone, although email was popular with all age groups. Web chat was a very popular option with the 25-44 age demographic, outperforming the telephony channel.

8% of the youngest age groups would choose social media, which is a major finding for businesses serving these customers.

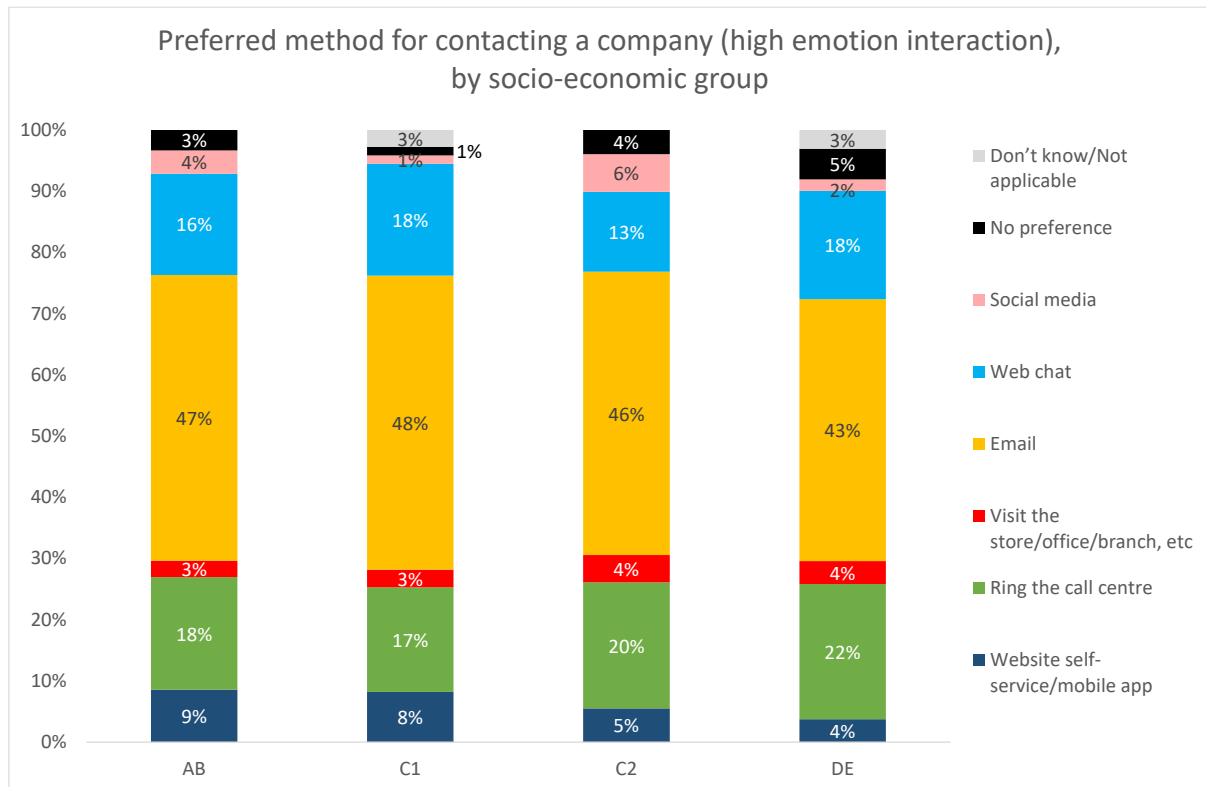
Figure 51: Preferred method for contacting a company (high emotion interaction), by age range



When considering the preferred method for contacting a company with a high emotion interaction, web chat was popular across all socio-economic groups, although email was by far the most popular choice for all. C2DE respondents were more likely than ABC1s to choose telephony.

There was also a slight correlation between higher socio-economic groups and the increased use of web self-service.

Figure 52: Preferred method for contacting a company (high emotion interaction), by socio-economic group



HIGH URGENCY INTERACTIONS

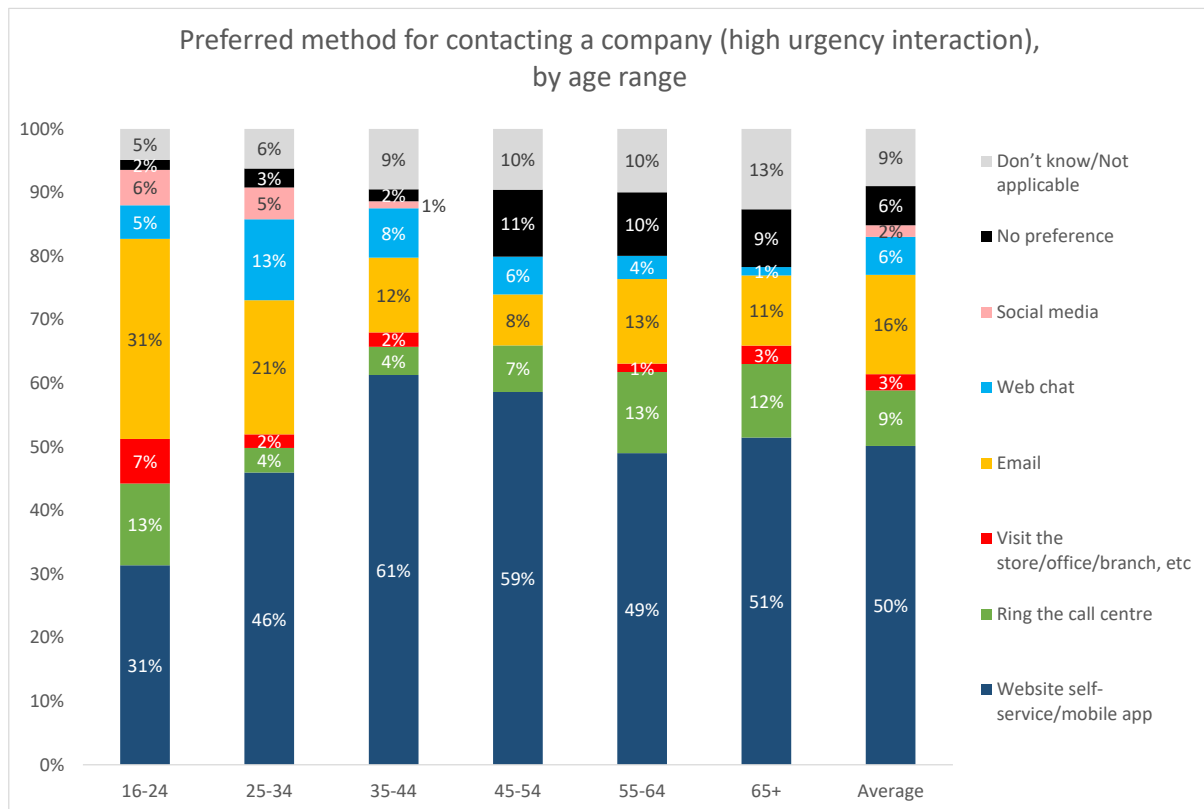
Survey respondents were asked which would be their preferred channel of choice in a situation where they were meeting somebody from a plane and needed to confirm the time at which to be at the airport.

By far the most popular channel was that of web self-service/mobile app, with all age groups choosing this as their no.1 option (although the youngest group were as likely to select email as an option, which seems strange for an urgent request).

Amongst older demographics, calling the contact centre was seen as a preferred option by fewer respondents than last year: 12% of the 65+ cohort chose this as their no.1 option last year, compared to 12% this year, perhaps driven by the poor telephony service levels recently.

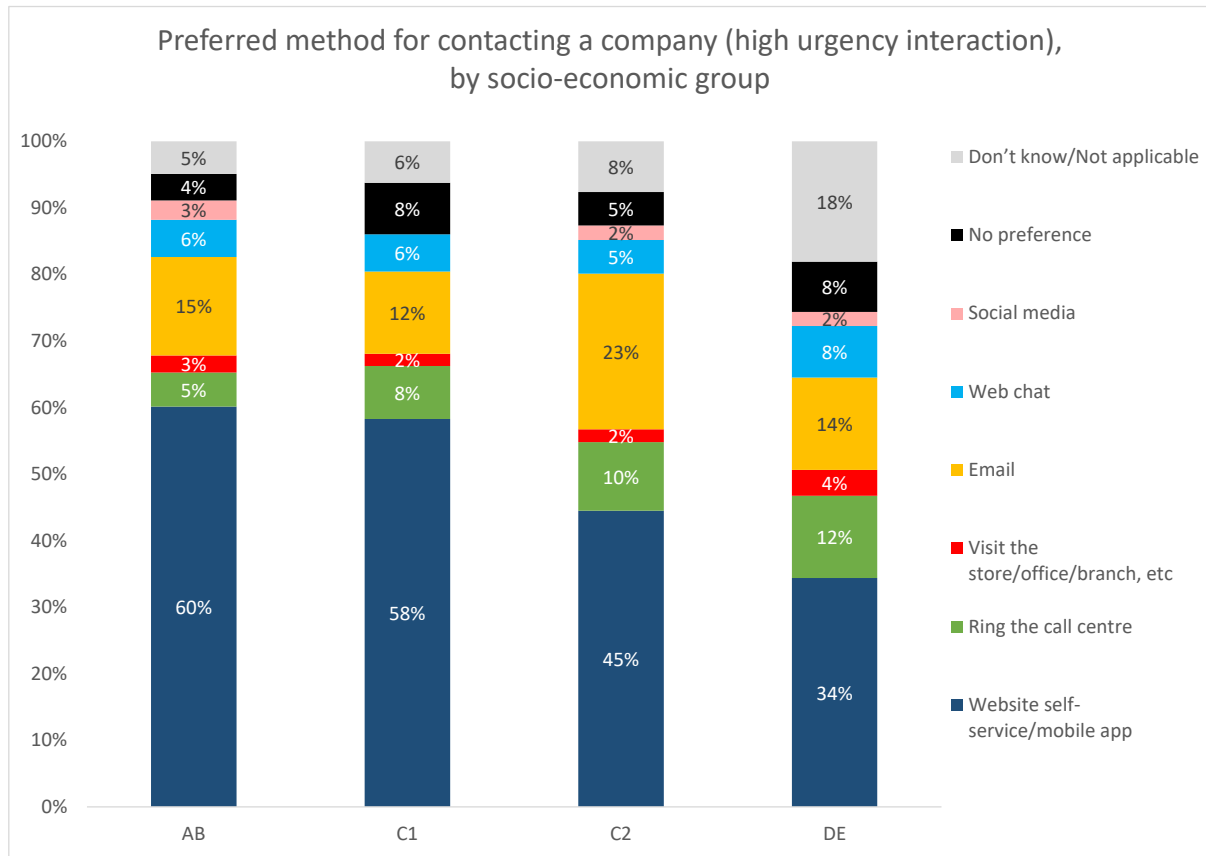
Email, social media and web chat were generally restricted to younger demographics, and despite the immediacy offered by these channels, few respondents stated that these would be their preferred method of interaction even in high urgency cases.

Figure 53: Preferred method for contacting a company (high urgency interaction), by age range



When considering socio-economic groups, web self-service was by far the most popular option for AB respondents, with the contact centre having some support with DE respondents.

Figure 54: Preferred method for contacting a company (high urgency interaction), by socio-economic group



HIGH COMPLEXITY INTERACTIONS

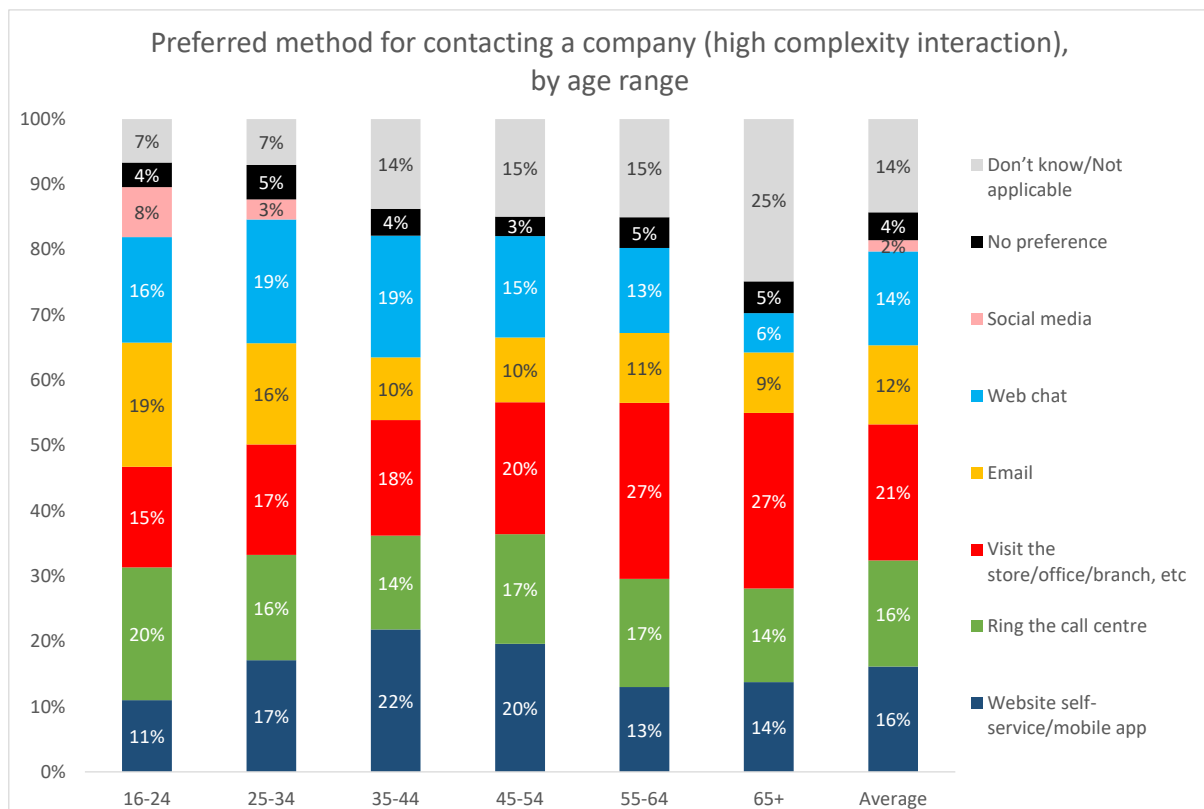
For highly complex interactions, such as getting expert guidance with a tax form or mortgage application, the most popular contact choice was a physical visit to an office or branch, which was much more popular with the older demographic. However, this option is far less popular than last year, when 37% of the 65+ cohort chose this as their primary channel for complex requests. This is likely to be due to the reluctance of customers to make unnecessary visits in a time of pandemic, particularly as the experience would likely to be different than what they are used to.

It might have been expected that the next most-personal channel would have grown in popularity as a result, but telephony remains the same at 16%, and actually loses ground in the older demographics. This may be because customers have experienced considerably worse telephony service levels recently, and are actually looking for alternatives.

Web self-service is now a much more popular option for complex interactions than it had been last year, with the 14% of the 65+ group choosing it as the primary channel, compared to only 7% in 2019, and all age groups expressed more interest in self-service.

Web chat was also seen as an appropriate primary channel for complex interactions by a significant minority of the under-55s, whereas email is generally much less popular than it had been for high emotion interactions, possibly due to the probable requirement for back-and-forth communication, although again this was rated highly by the youngest age group, who perhaps haven't yet had to do many of this type of interaction. 8% of this group also considered social media to be their primary channel in this case.

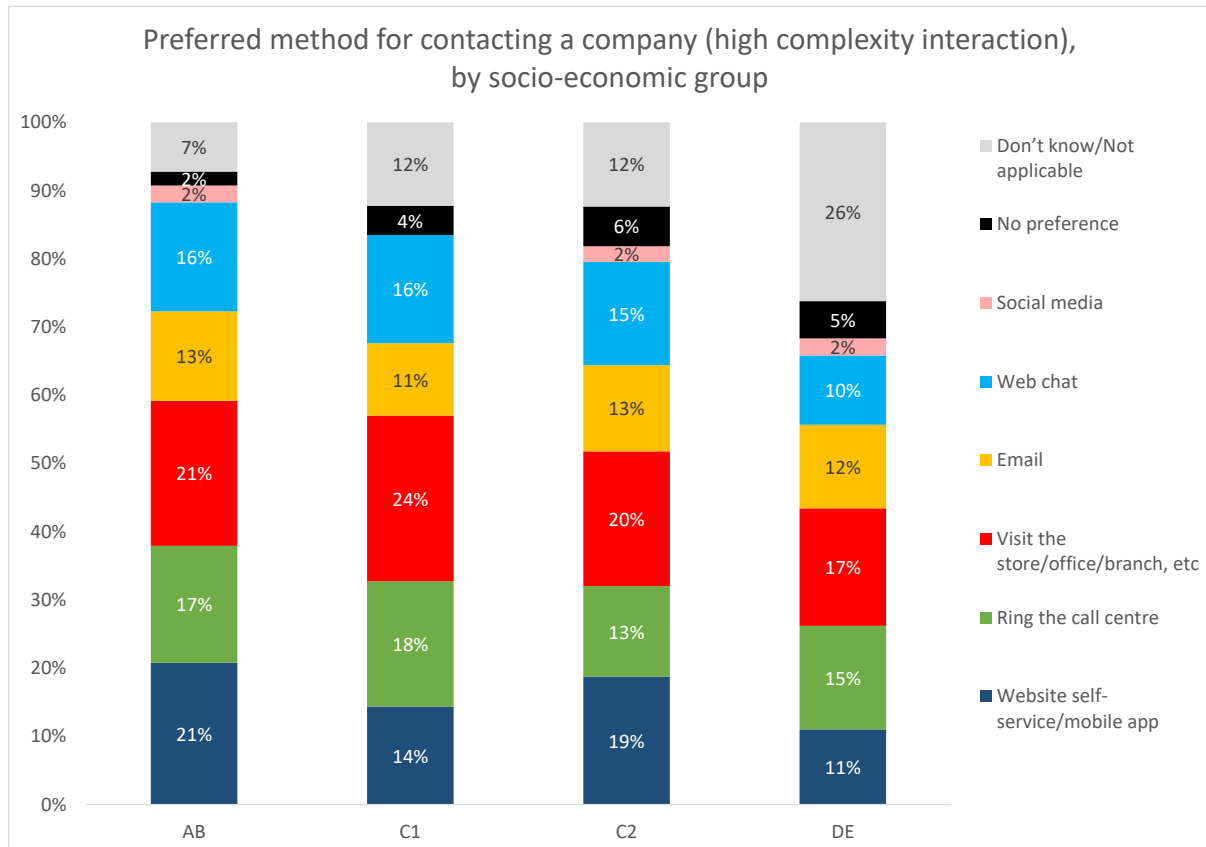
Figure 55: Preferred method for contacting a company (high complexity interaction), by age range



AB respondents are somewhat more likely to attempt to solve the problem through web self-service and DEs were less likely to choose web chat.

It should be noted that 26% of the DE respondents did not know how they would prefer to contact a company in this particular case, or believed that this scenario did not apply to them.

Figure 56: Preferred method for contacting a company (high complexity interaction), by socio-economic group



CX BENCHMARKING

To improve customer experience, it is necessary to be able to measure it. There is no single best method or benchmark to use for doing so that applies equally to every company or type of customer base, but many organisations will use a mixture of data sources and methods to approach the issue from various angles.

CUSTOMER SURVEYS

Customer surveys have been an integral part of most businesses since time immemorial. Recently, there has been a great increase in the number of organisations implementing “Voice of the Customer” programmes, often based around large-scale analysis of call recordings, but the more traditional, direct methods of understanding customer experience and requirements are still very much present.

The numerous methods of directly surveying customers include:

IVR: at the end of the call, and after agreeing to do so, the customer may be passed through to an automated IVR system, which typically asks a mixture of open and closed questions which can be answered with a combination of touchtone and speech. This has the benefit of immediacy in that the caller will be able to give an accurate assessment of the call and the agent. Additionally, the business may be alerted in near-real-time to any major problems through pre-programmed automated SMS or email alerts.

The speed and ease with which an agent-invited IVR survey can be implemented gives it a distinct advantage over a survey conducted via outbound calls. The resources and staff time required to make outbound calls often mean that they are conducted erratically and rarely during peak times which undermines the quality and usefulness of the data collated. As agent-invited IVR surveys are automated, they require little staff input and can monitor customer satisfaction whenever the contact centre is open.

Outbound automated surveys are becoming more prevalent. After the call has been concluded, the caller's number may be put into an outbound dialler's queue, which calls them and offers an IVR survey. The speed with which this call-back is made is crucial to the take-up rate of the survey, with up to 70% acceptance rate if the call-back is in minutes, but perhaps only 10% if the call is made over 48 hours later.

Written: some businesses ensure that a system-generated email is sent to the customer soon after an interaction takes place, often requesting detailed feedback through open-ended questions. Typically, more customers who have had a poor experience will bother to complete the questionnaire, skewing the figures, and although some good and detailed learning points can emerge, it's perhaps only appropriate if the customer has engaged very deeply with the business on a number of recent occasions (e.g. completing a mortgage application) or with a demographic that has more time available to them, especially older people.

However, email does allow immediacy and offers a customer a chance to express themselves more fully, rather than simply with numerical scores. This method also has the advantage that it can be fully automated.

Detailed person-to-person interviews have an important role to play, particularly where the feedback generated can be compared side-to-side with feedback by other methods. Having quantitative and qualitative data provides valuable feedback that can't be achieved by adopting a single surveying method.

Web forms are becoming increasingly widely used as an increasing number of customers visit a website initially to see if they can find the information or resolve the issue themselves. Online survey invitations that pop up within a couple of seconds of entering a website are widely used, although many customers find them intrusive as they have not yet found the information that they require. Using a little more intelligence around when to offer the survey to the customer provides far higher take-up rates and more accurate, informed feedback.

Outbound: the contact details of a proportion of incoming callers can be passed to a dedicated outbound team, who will call the customer back, often within 24 hours, to ascertain the customer's level of satisfaction with the original call. Sometimes customers will find this intrusive, while others will welcome the chance to provide feedback. Additionally, certain companies employ outside agencies to survey customers regularly, which may be useful in benchmarking exercises, since they will apply a more formalized and structured approach to data gathering and presentation. The automated option as mentioned in the IVR section above should also be considered as an option.

SMS: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact centre to use this information for agent performance as well as satisfaction with the business. However, SMS does not support particularly detailed questioning, and businesses will have to collect mobile numbers if they do not already have them. However, take-up rates are better than many other forms of feedback (at around 25-35% on average), and younger and more time-poor customers are more likely to respond, providing a wider universe of responses across demographics. This form of survey can allow the contact centre to identify very unhappy customers and schedule an outbound call to deal with the problem.

Different customers will prefer to be surveyed in different ways and a survey platform should have the flexibility to support IVR, web, text and written surveys and collate the results in a unified reporting system. Not only will this mean that businesses are increasing the number of customers accessed, but a different quality of feedback and level of insight will be received from each approach.

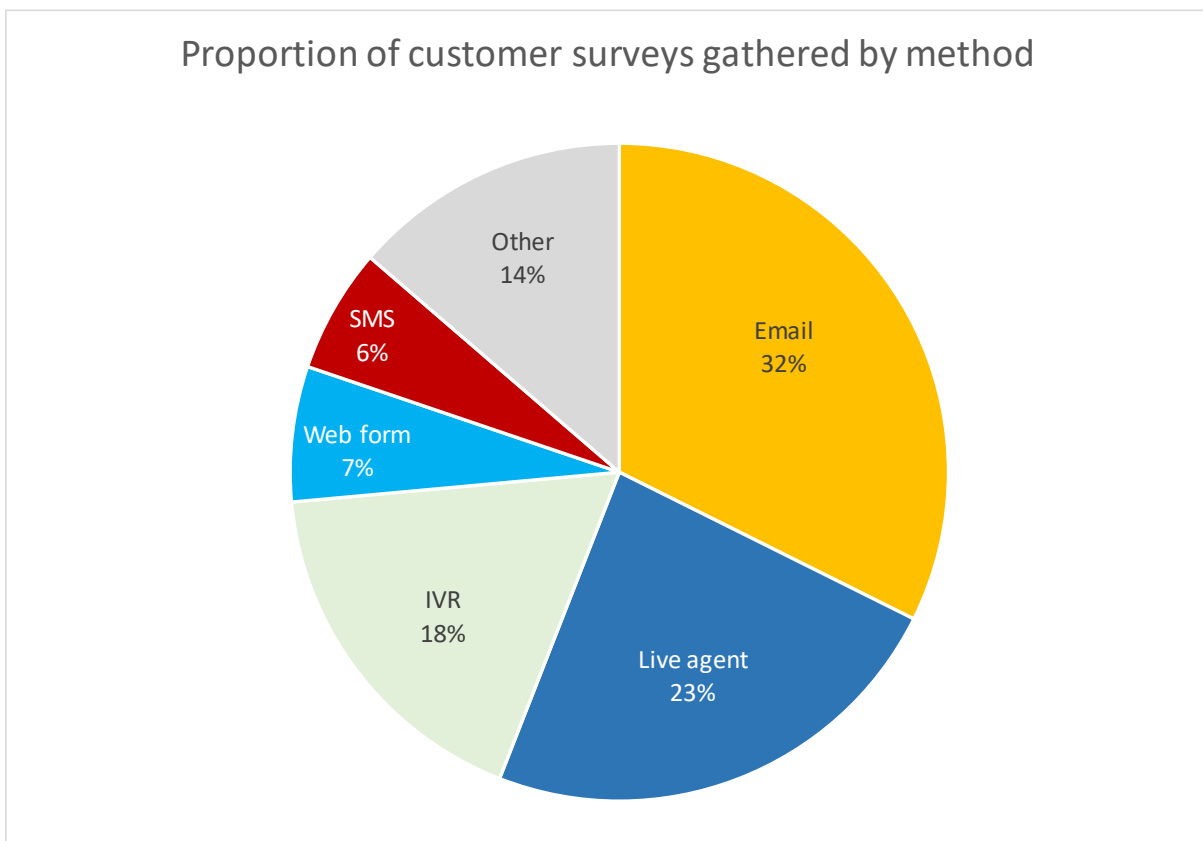
When considering the volume of surveys collected by each method, email is most popular with 32% of surveys being collected in this way. Email allows a mixture of quantitative numerical data to be collected, along with qualitative comments which may highlight issues that would otherwise be unknown. It also has the advantage of immediacy and can be fully automated, requiring little or no additional input from the business.

Web forms also allow this mix of numerical and written data to be collected, but the timing of offering the surveys during a web browsing session can be difficult to get right.

Despite the cost, outbound survey calls carried out by live agents are used in 23% of cases, which allow a depth of qualitative information to be collected from which insights can be drawn.

Both SMS and IVR are more positioned towards gathering quantitative information, often aligned to NPS.

Figure 57: Proportion of customer surveys gathered by method



Regardless of whether or not surveys identify specific agents, a key to customer feedback success is whether the survey implemented is considered by agents as just yet another form of monitoring, or a genuine attempt to help them provide better service in the long run. Agents tend to respond well to successful customer satisfaction improvement initiatives as they usually make their job easier and more rewarding.

Keep the survey process simple, focus on agent engagement and act quickly to provide positive feedback to the team. It's more important to get the survey adopted as a positive part of the company's customer service strategy than it is to design the academically perfect survey that has a negative impact on the morale of the team.

It is vitally important before beginning to survey customers, that a business:

- Clearly determines the purpose and aims of the survey
- Considers adopting a variety of question types. Scored questions enable a business to produce statistically significant and representative data. Free comments allow the gain of real insight into customers' perception of service
- Selects an experienced company to set up and host the survey. Businesses will benefit from their expertise and knowledge and avoid potentially costly errors and missed insight
- Ensures that the survey can be carried out throughout the day, including peak times, to gain a true picture of the customer experience
- Makes sure that the results of the survey can be collated and analysed in a wide variety of ways. It is pointless to amass information if it cannot be evaluated and the results disseminated usefully
- Has procedures in place to act upon the information that it finds. The survey may have uncovered some broken processes in the service which need attention. It will also inevitably throw up disgruntled customers whose specific concerns need addressing. In this instance, the survey platform should provide some mechanism for alerting and following-up to ensure that dissatisfied customers are quickly escalated to the appropriate staff
- Adopts a unified approach across the business to assessing and monitoring customer satisfaction. If a business continues to reward agents based on traditional call performance metrics, it risks not supporting the right behaviours needed to produce superior customer experience. If agents are rewarded based on customer satisfaction ratings, it will increase agent engagement and retention at the same time as improving the service it offers to customers.

EMPLOYEE FEEDBACK

Voice of the employee (VoE) programs are an integral part of the workforce engagement management suite, aiming to understand how employees feel about their work and the organisation with the end goal to understand and improve outcomes for employees and the business.

Some of the purposes of VoE include:

- improving employee performance and retention
- identify areas of underperformance in the organisation
- understanding and addressing the causes of boredom and burnout in front-line employees
- improving employee motivation and aligning them with business strategy and culture
- as happy employees directly affect performance and customer experience, making the workplace and culture more pleasant will benefit everybody.

VoE programs survey employees through tailored questions in order to gather insight about current levels of engagement by role, team, department, etc. Not only do front-line employees appreciate being listened to, but to be able to see any changes and improvements made as a result of their comments is very motivating.

Team and individual development plans can then be published, progress tracked and results shared. VoE survey findings can provide insight to other parts of the WFO suite (e.g. coaching/eLearning, and also gamification and performance), and also be connected to other metrics including absence, attrition and customer-focused scores.

VoE helps organisations understand what their best-performing employees are thinking and engage with them to keep them loyal. It is important for any VoE programme to be set up so as to be able to release actionable insight: not just answers to questions such as ‘How engaged with the business are you?’, but also **why** this is, how it can be improved and what effect on the business will this have. VoE in the contact centre should answer questions around whether agents have all the tools they need to deliver a successful customer experience and whether they are encouraged and empowered to own the customer’s issue or feel as though they are managed and judged solely by internal metrics.

Many contact centre employees are finding that the calls they are now handling are becoming increasingly complex, as many of the simplest interactions are being resolved through self-service. Where support systems and training have not been upgraded accordingly, this can lead to stress and demotivation as not being able to help customers effectively is a very negative experience. This issue is only likely to get larger over time, particularly as customer expectations are always rising.

Successful VoE is a long-term, ongoing project rather than simply being a snapshot of a moment in time, and it is important to create buy-in at the top of the organisation by sharing the goals and insights with senior management and linking any results to improvements in business performance.

COMPLAINT ANALYSIS

Complaints are a potentially rich environment for businesses to understand where they are going wrong, and which issues are in danger of turning a customer into an ex-customer. For many businesses, each complaint is dealt with on a case-by-case basis, with little in the way of categorization or structure being put in place formally, and little chance of communicating findings in an actionable way to the relevant department.

Speech analytics gives businesses a chance to quantify the reasons that customers complain, identifying the most important factors, assessing trends and spikes, and providing hard recommendations based on every call taken. Real-time analytics allow businesses to track words and phrases related to complaints (such as 'supervisor', 'manager', 'complain', 'unhappy' etc.), allowing escalation to a supervisor, or screen-pop to the agent to provide them with a revised script or suggestions of how to handle the call. Emotion detection and sentiment analysis may also be used to identify unhappy or wavering customers within the call, updating supervisors who can then intervene or advise the agent accordingly.

John Seddon uses the term “failure demand” to describe calls that are created by the inability of the business’s systems to do something right for the customer:

“A failure to do something - turn up, call back, send something...causes the customer to make a further demand on the system. A failure to do something right - not solve a problem, send out forms that customers have difficulty with and so on - similarly create demand and creates extra work. Failure demand is under the organisation’s control, and it is a major form of sub-optimisation.”²

Seddon cites the instance of the bank where failure demand created almost half of the calls which they had to deal with. Another classic example of failure demand is where emails go unanswered, leading to calls being made (first-stage failure demand). Later, the email will be answered, unnecessarily, as the customer already has their answer or has gone elsewhere (second-stage failure demand). This redundant work will then impact on other (still live) messages in the email queue, creating a vicious circle of failure demand. Redesigning and restructuring the way in which work flows around the organisation, putting the contact centre at the heart of it, rather than treating it as a separate silo, will go much of the way to reducing unnecessary contacts. The customer ends up getting a better service from the whole company, not just the contact centre.

One way in which this can be achieved is to unify and automate the agent desktop, bringing in the relevant data automatically, depending on who the caller is and what they want. At the end of the call, the correct data is written back to the relevant places, and the correct processes kicked off automatically, meaning that the right departments will be provided with the right information, thus reducing the risk of failure demand, unnecessary calls and irate customers. This also takes the pressure off the agents to remember which systems to update and how to navigate through them within the call (which causes long delays, negatively impacting customer satisfaction), or in the wrap-up, which risks agent forgetting to do things, and also decreases agent availability, increasing the queue length, and decreasing customer satisfaction. In cases where multiple processes have to happen in order for the customer’s requirement to be met, automated outbound messaging to the customer, whether by email, SMS or IVR is likely to reduce the number of follow-up contacts that the customer feels that they have to make.

² *Freedom from Command and Control: A better way to make the work, work*, John Seddon

Information on failure demand can be gleaned from the contact centre, which can also hold huge amounts of knowledge about customers' views of the products, services, competitors and company. Feedback loops can be established to push information and insights upwards to those who can make a difference in product development, process improvements and customer strategies. Interaction analytics offers businesses the chance to mine huge amounts of data and find patterns and reasons in a timely fashion, and it is vital then to act upon this knowledge, proving to both customers and agents that the business takes them seriously.

On average, 7.9% of survey respondents' calls were complaints, and of those calls, 82% were not about the contact centre itself (or its staff), but rather 'failure demand', caused by a breakdown of process elsewhere in the organisation.

However, the contact centre has to deal with the fall-out, and further failures within the complaints procedure (or lack of it) can see customers calling into the contact centre again and again, becoming more irate each time, despite the real problem lying outside the contact centre.

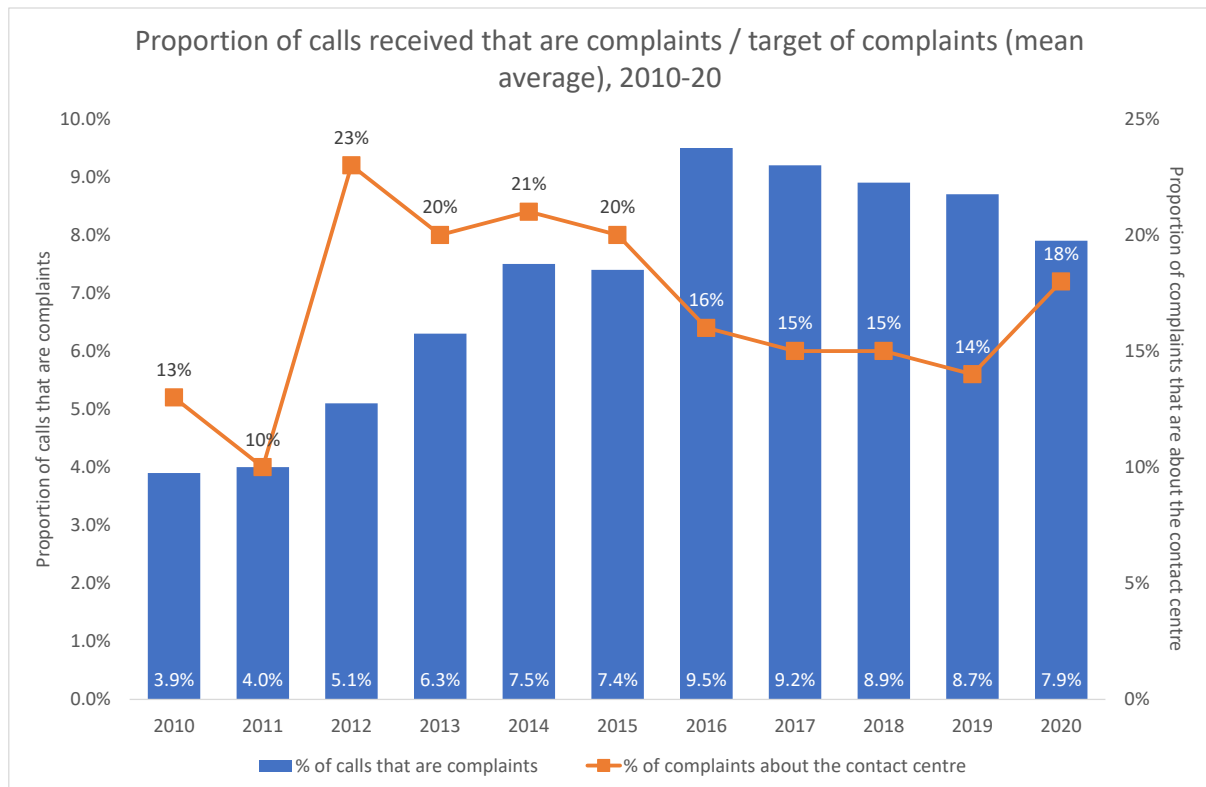
There is also the case that there is a blurring of responsibility between the contact centre and the rest of the business so that lines of demarcation over where the fault lies can be difficult to find. For example, a telecoms provider that has taken an order for a new line has to rely on the rest of the organisation to provision and deliver this correctly. If the agent takes the contact email down incorrectly, the customer will not receive any information about their order, which may have a query on it. When the irate customer rings in to complain, the problem may appear to be with the back-office processes where the order has halted, but the fault actually lay with the original agent. Whether this is tracked or reported on correctly is not a certainty, so any analysis of the split between contact centre / back-office complaints should be treated with caution.

There is also a real risk especially within large contact centres that a single agent does not have the capability or responsibility to deal with the customer's issue, which may reach across various internal departments (e.g. finance, billing, provisioning and technical support), none of which will (or can) take on full responsibility for sorting out the problem.

A clearer upward trend can be seen when looking at the proportion of calls that are complaints in general, from less than 4% in 2010 to around 8-9% more recently. There may be multiple reasons for this: businesses may be failing the customers more often; customers may have become more demanding; or customers may have moved away from the traditional form of complaint – the letter – and prefer to use the phone to complain instead.

Certainly, many contact centre decision-makers state that the most effective channel to use for complaints is the telephone, and it may be that customers have found this out for themselves over the past few years.

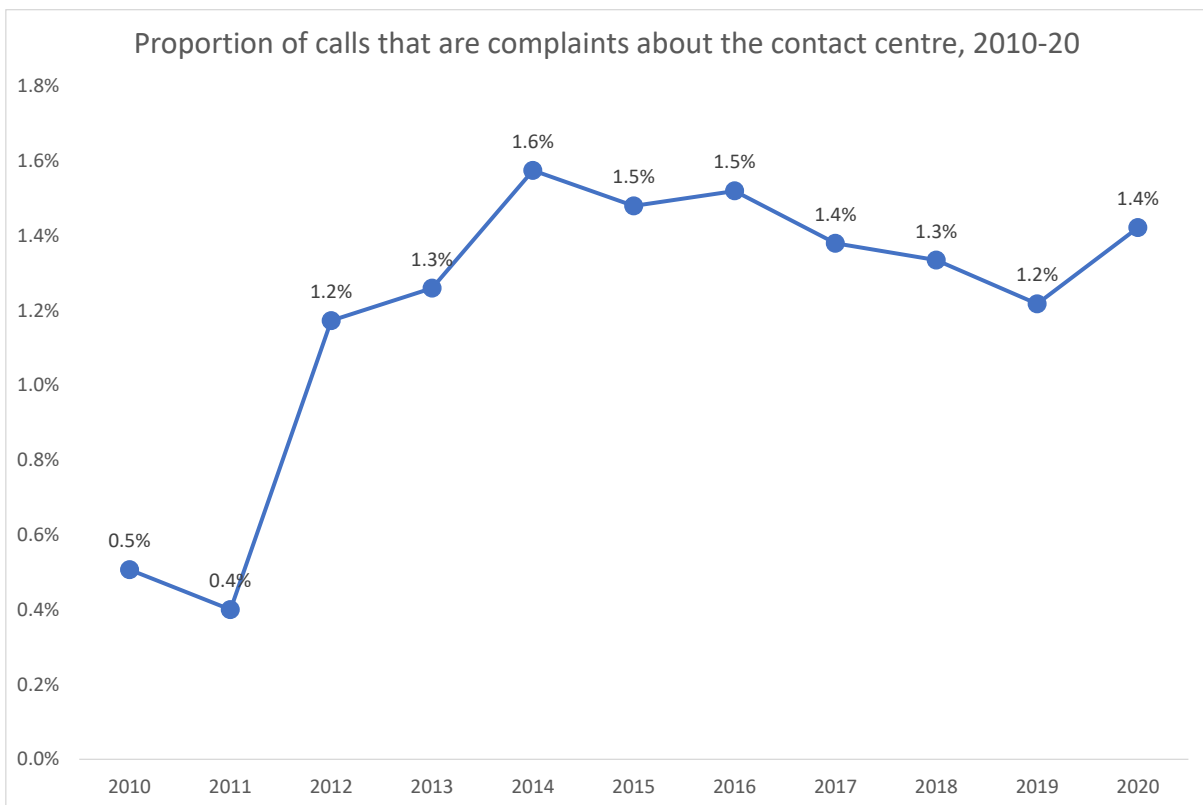
Figure 58: Proportion of calls received that are complaints / target of complaints (mean average), 2010-20



Combining the two sets of data on the previous chart – the proportion of calls that are complaints, and the proportion of complaints that are about the contact centre (rather than the wider business) – gives the following chart: the proportion of calls that are complaints about the contact centre. This is a figure that contact centre decision-makers should be interested in, as these complaints not only cost money to handle, but are in large part avoidable in the first place.

Since 2012, the figure of contact centre complaints is relatively steady at around 1.5% of inbound calls. This may not seem particularly high, but with 7.0bn inbound calls per year and typical cost per call of £4.53, handling the 1.4% of calls that are complaints about the failings of the contact centre costs the industry almost £450m per year.

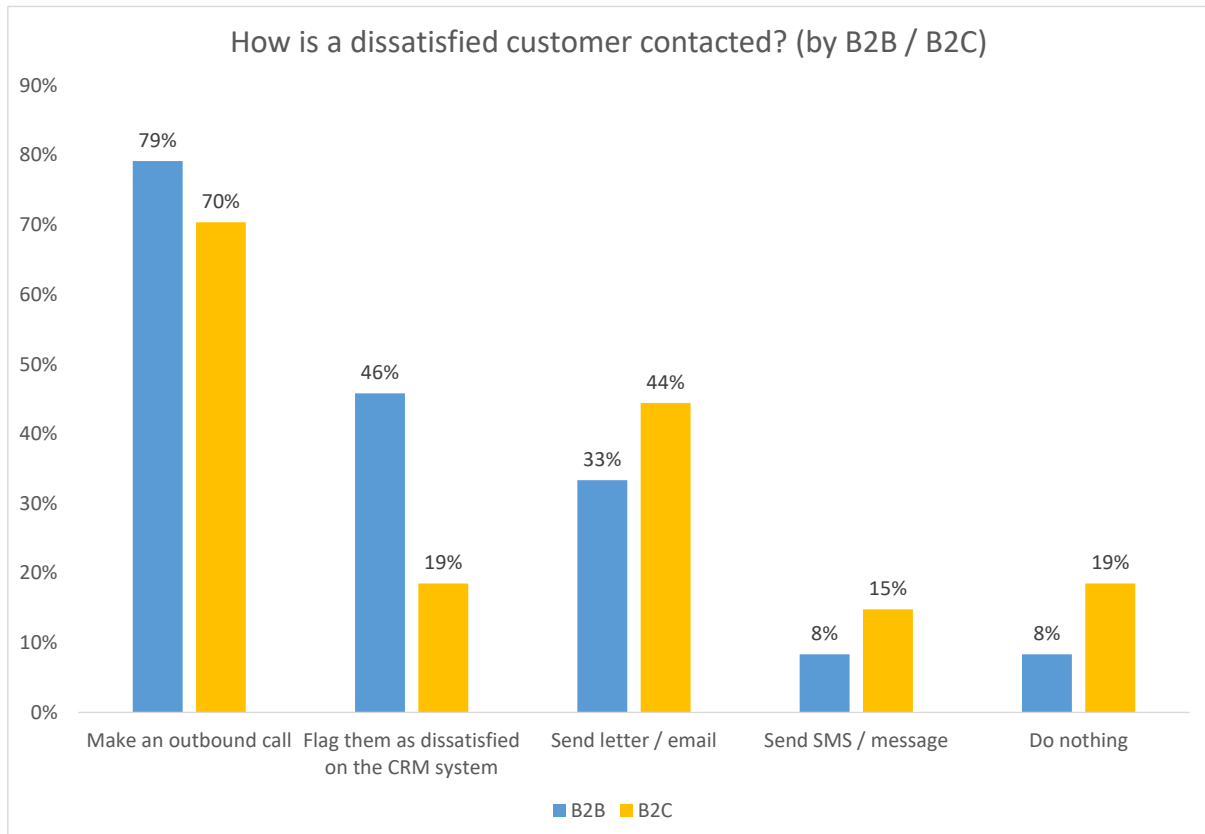
Figure 59: Proportion of calls that are complaints about the contact centre, 2010-20



The following chart shows how survey respondents handle customers that are identified as being dissatisfied.

It is heartening to see that very few organisations choose to do nothing in these cases, with a majority making an outbound call. Sending a letter or email is also quite a popular choice.

Figure 60: How is a dissatisfied customer contacted? (by B2B / B2C)



SPEECH ANALYTICS

There has been a great increase in customer satisfaction surveys in recent years, with the widespread uptake of the Net Promoter^{® 3} score (NPS) being a good example of companies' desire to learn what their customers actually think about them. However, research has shown that a 'satisfied' customer isn't necessarily a profitable or loyal one, and the results of customer surveys, particularly the written or telephone-based variety (the latter of which, despite its limitations and expense, is still seen as the best method), are carried out at a time when any feelings about the original interaction may have changed or dissipated, are prone to inaccuracy, delay and lack of detail.

With all of the methods of customer surveys, the questions are fixed in advance, and if the right questions aren't asked, the level of actionable insight is low. In many cases, a business might know that x% of its customers are satisfied, and y% dissatisfied, but it still has no real idea why this is, or even how it will impact upon their profitability.

As an addition to customer satisfaction surveys, customer contact analytics allows a business to gather customers' views within the interaction itself - guaranteeing immediacy and accuracy - and can be applied across 100% of calls, rather than focusing on the outlying 'very dissatisfied' or 'delighted' customers.

Furthermore, through widespread and detailed analysis of what the call is about, the type of language or messages used in the call, how the customer was handled, and the eventual outcome, businesses will be able to learn how to improve their customer retention and satisfaction in real-life, bypassing the standard metric (e.g. "83% of customers are satisfied") and getting to the root causes of satisfaction or dissatisfaction and sharing the results with the rest of the operation.

Some solutions use historical analysis of call characteristics, agent behaviours and interaction outcomes to estimate customer satisfaction or Net Promoter[®] scores on every call, and can also predict the attrition of customers based on what they have said and what has happened within the call, allowing the business to act swiftly. Other solution providers use this type of analysis to help online educators predict which students will pass the course, and which will drop out, meaning they are able to target proactive assistance as required.

³ Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

VOICE OF THE CUSTOMER ANALYTICS

Recently, there has been a great increase in the number of organisations implementing “Voice of the Customer” (VoC) programs, increasingly based around large-scale analysis of call recordings, as well as using formal surveys of customer experience to offer the customer a chance to feed-back, and the business to learn.

VoC programs strive to capture customer feedback across multiple channels of engagement (IVR, live agent, email, etc.), while enabling closed-loop strategies to support customer retention, employee development and omnichannel experience optimisation. VoC programs typically trigger alerts with role-based delivery via the use of text and speech analytics, offer statistical modelling services to pinpoint root causes, and digitally track progress and results with case management.

The definition of what a VoC programme includes runs the gamut across vendors from simply sending alerts based on key words derived from a survey, to more complete solutions that directly contribute to contact centre optimisation and overall CX improvement.

Examples of more complete VoC programme features include:

Closed Loop

- **Automated Alerts:** as surveys are completed, real-time alerting capabilities will immediately identify and inform teams of customers in need, while assigning ownership for follow-up
- **Callback Manager:** an interactive system that enables callback teams to conduct detailed case reviews and disposition follow-up activities for eventual root-cause analysis
- **Case Management:** root-cause exploration tools enable back-end analysis of the customer’s initial concern, enabling operational support teams to uncover, track and mitigate systemic problems proactively.

Coaching

- **In-The-Moment Coaching Tools:** as surveys are completed, real-time alerting capabilities will identify when a frontline employee is in need of immediate coaching intervention
- **Performance Ranker:** the performance ranker helps managers develop weekly and monthly coaching plans by outlining strengths and weaknesses for each employee, while identifying opportunities for peer-based knowledge sharing
- **Behaviour Playbooks:** playbooks with scorecards help managers coach specific behaviours by outlining how to best demonstrate each of them, showcasing best-practice examples and suggesting sample role-plays.

Reporting

- **Real-time Insight** – text analytics zeros in on key issues from multichannel survey feedback
- **Role-based Reporting** – define type and frequency of report delivery based on responsibility, title, geography and more
- **Call Recording** – drill-down detail includes IVR and live agent call recording for additional insight.

VoC programs are frequently ongoing engagements with results measured by internal CSAT scores, NPS benchmarks and efficiency improvements.

Alongside direct customer surveys, VoC analytics solutions can also gather insight from recorded digital and voice channels. Aggregation of customer surveys and analytical results can identify the root cause of any issues identified, and provide actionable insight for changing processes and/or agent handling techniques.

VoC should be seen as a continuous process, rather than a one-off project, and ongoing analysis allows the business to operate a closed-loop system, whereby identified issues can be actioned and continuously checked to make sure that the problem does not reoccur.

MYSTERY SHOPPING

Mystery shopping is often used by retailers in order to measure and confirm that the experience a customer has with an organisation is one which the business actually intends them to have. Mystery shopping does not have to happen within a physical store, as it is also possible to carry out these activities with the contact centre or online.

Businesses may wish to make sure that specific actions are being carried out consistently, such as greeting a customer or asking if they need help with packing their purchases, and can also be useful more subjectively to understand the general feeling that the customer has about communicating with the business.

Mystery shopping is generally better suited to B2C organisations, as B2B mystery shopping may require specialist information and can be an extremely complex sales process, involving ratification of a potential customer's identity and *bona fides*.

While mystery shopping has a part to play in understanding customer experience, the fact remains that the actual mystery shopper is not a real customer, and is acting based on specific instructions given to them by the company.

Additionally, customer experience data will be taken from a relatively small sample size of mystery shoppers, rather than a larger proportion of the customer base which can be accessed through surveys or analytics.

THE USE OF CX BENCHMARKING METHODS

The chart below shows the use and effectiveness of the methods of gathering customer experience covered earlier in this chapter.

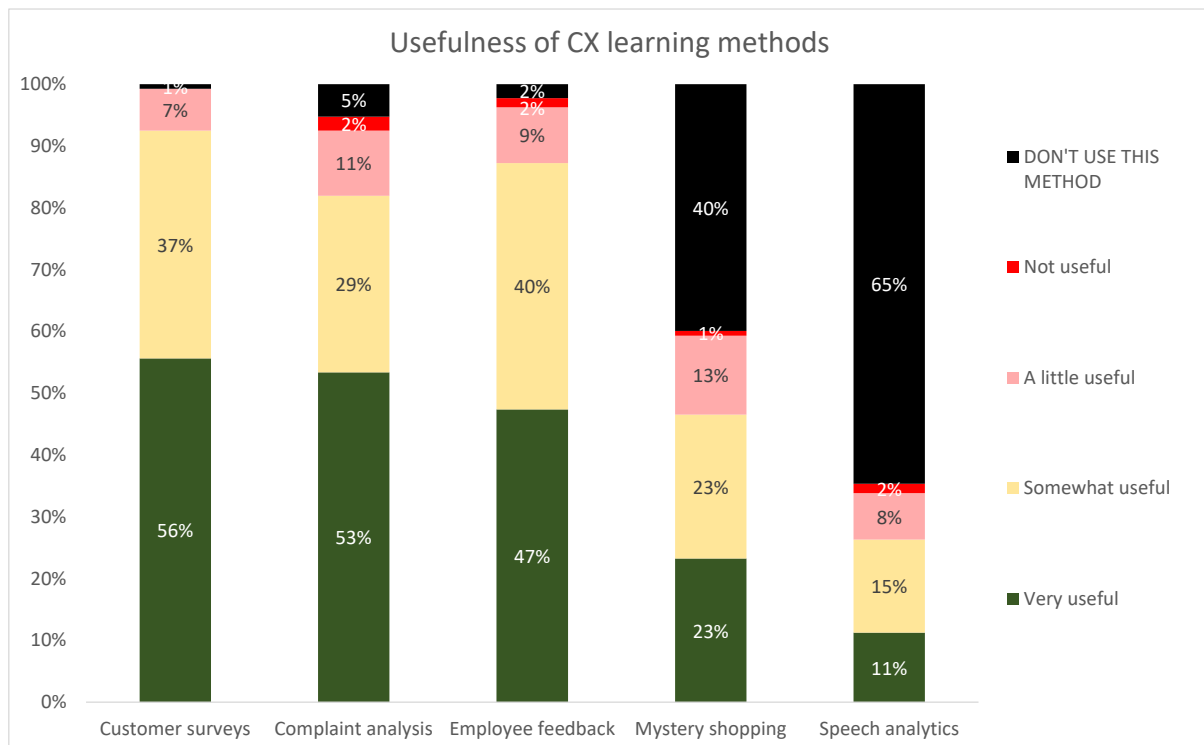
The vast majority of respondents use customer surveys, employee feedback and complaint analysis in order to learn about customer experience, with a minority using speech analytics and 60% using mystery shopping.

Direct customer surveys were said to be the most effective method of gathering customer experience data, with 57% of respondents who use this method stating that it was very useful. Employee feedback and complaint analysis were also generally seen as useful, although not quite to the same extent as customer surveys.

There was a lack of a generally agreed view on how effective speech analytics and mystery shopping were: while 31% of those who use speech analytics to understand customer experience data found it very useful, 29% stated it as either of little or no use whatsoever.

Mystery shopping fared better than usual, with 38% of those using it stated that it was very useful although 23% found it of little or no use.

Figure 61: Usefulness of CX learning methods



Businesses were asked which of five quantifiable benchmarks that they use in order to measure customer experience and satisfaction.

- Net Promoter Score[®], otherwise known as NPS, is an index ranging from -100 to 100 that measures how likely customers are to recommend a company's products or services to others. The question asked to customers is:
 - "On a scale of 0 to 10, how likely are you to recommend this company's product or service to a friend or a colleague?"
 - Based on their rating, customers can then be grouped into in 3 categories: detractors, passives and promoters. 'Detractors' score lower than or equal to 6, 'Passives' score 7 or 8 and 'Promoters' answered 9 or 10.
 - NPS is determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. For example, if 50% were promoters and 10% detractors, the NPS would be 40. This allows businesses not only to focus upon increasing the proportion of people that actively like and evangelize about the company, but also to bear in mind those at the opposite end of the spectrum who are lukewarm or negative.
- Customer effort scores look to understand the ease or otherwise with which the customer has interacted with the company on a particular occasion. Often, there will be a five-point scale running from "very easy" to "very difficult", which can be converted into a quantitative metric. Various methods of calculating customer effort scores and pitfalls to avoid can be found within this referenced article⁴
- Quality scores differ from company to company, but are based on interaction scorecards on which employees are scored over a number of calls or interactions each week or month, and include factors such as compliance, quality of greeting and call termination, cross-selling and upselling attempts, fluency of communication and other factors deemed important by the business
- Customer retention rates are generally based on the percentage of customers renewing contracts, and are typically used by businesses within contract-based industries, such as insurance and telecoms
- CSAT (customer satisfaction) scores do not have a fixed and widely-accepted scoring system, but are more wide-ranging. Businesses may decide that they want to track the proportion of customers who report being "very satisfied", score them at 5 out of 5, etc.

⁴ <https://www.callcentrehelper.com/how-to-calculate-customer-effort-94671.htm>

The most widely used customer experience benchmark is the general customer satisfaction rating, which is used by 97% of respondents. First-contact resolution rate is used by 81%, NPS 73%, customer retention rate 72% and agent quality scores 82%. Customer effort score is much less widely used, however is still in place in 53% of respondents.

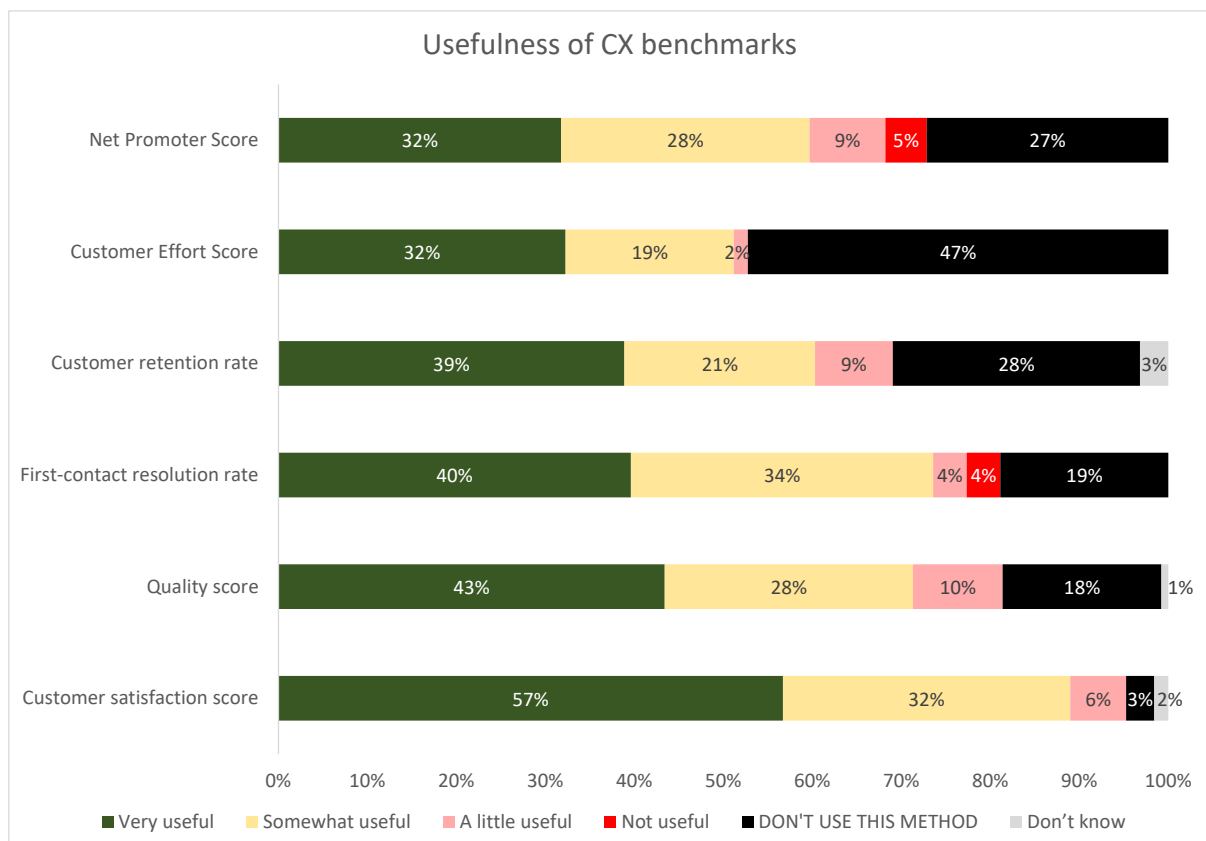
Respondents that used these customer experience benchmarks were asked to rate how useful they were.

60% of respondents that used it stated that they believed that the customer effort score was a useful indicator of customer experience, being the highest-rated metrics. CSAT was very close behind it.

Most of the other customer experience benchmarks received very similar scores, with around half of respondents stating that they were ‘very useful’, and lower proportions stating that they were ‘somewhat useful’.

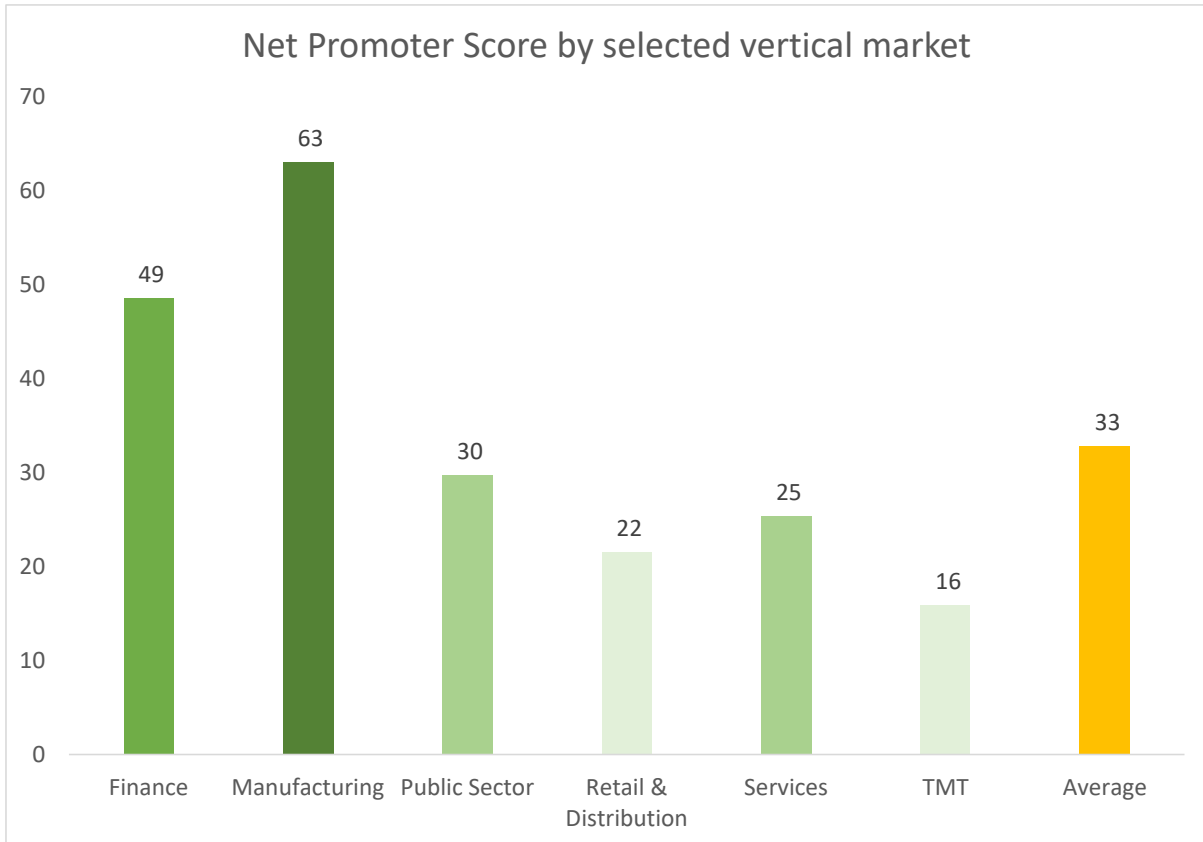
NPS was rated the lowest, with 44% stating that it was very useful, but 19% saying it was of little or no use.

Figure 62: Usefulness of CX benchmarks



As customer experience benchmarks change from company to company – there is no generally accepted customer satisfaction rating or quality score that allows direct comparison between organisations – only NPS easily allows head-to-head comparison across companies, although there were not enough responses from each vertical market to be able to give a full picture.

Figure 63: Net Promoter Score by selected vertical market



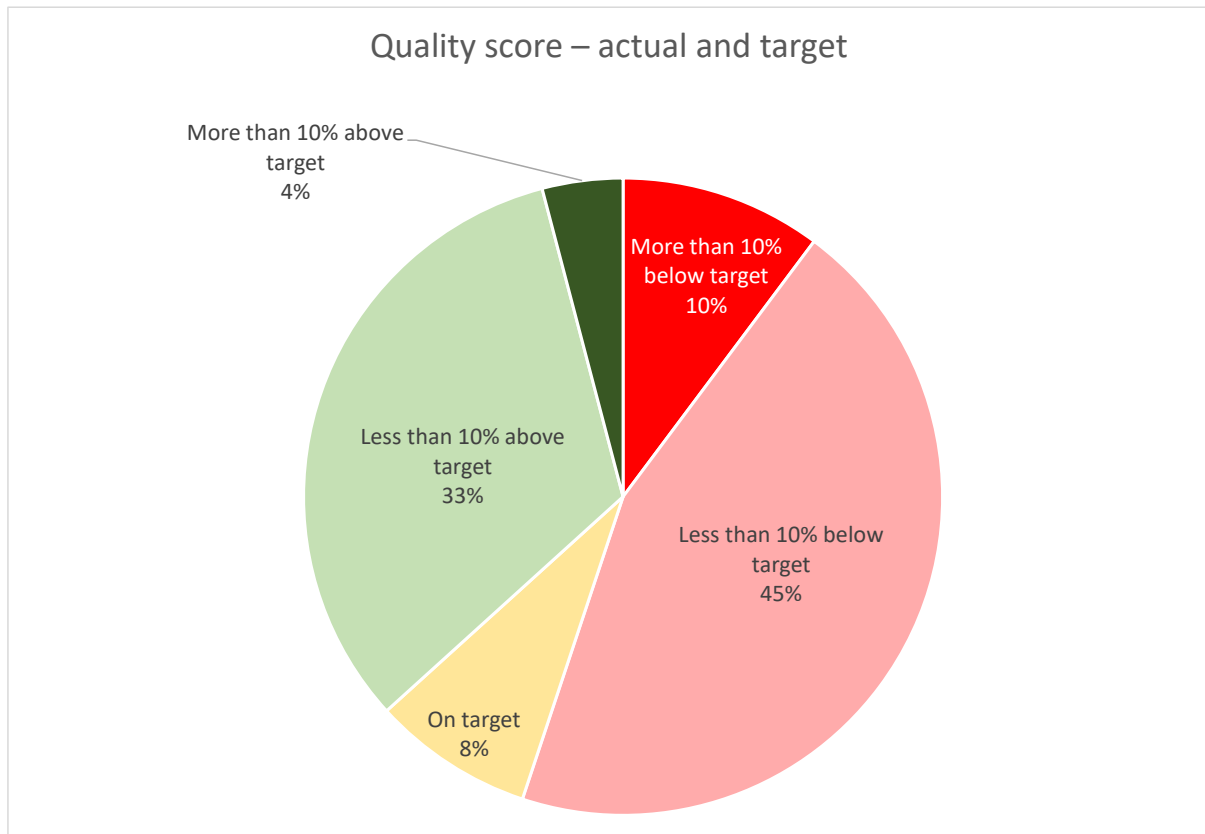
Respondents to this survey generally reported a mix of Net Promoter scores, with a survey-wide average of 33 (down from 49 last year). This may be because relatively few survey respondents answered this question, and more data will be required before it can be judged a trend.

Those in the manufacturing industry reported the highest average scores, with retail & distribution and TMT the lowest.

Looking at quality scores, the fact that there is no single industry-wide quality measurement score made head-to-head comparisons impossible. Instead, each set of responses was judged on whether it was above target, at target or below target.

While 55% of respondents are currently missing their quality target, most of these are less than 10% below where they want to be.

Figure 64: Quality score – actual and target



In the same way as with quality scores, customer satisfaction scores are not necessarily directly comparable between organisations. However, where possible, the data was normalised as a percentage although this should be treated with caution.

29% of respondents were more than 10% below their target, although 32% were above it.

Figure 65: Customer satisfaction score – actual and target



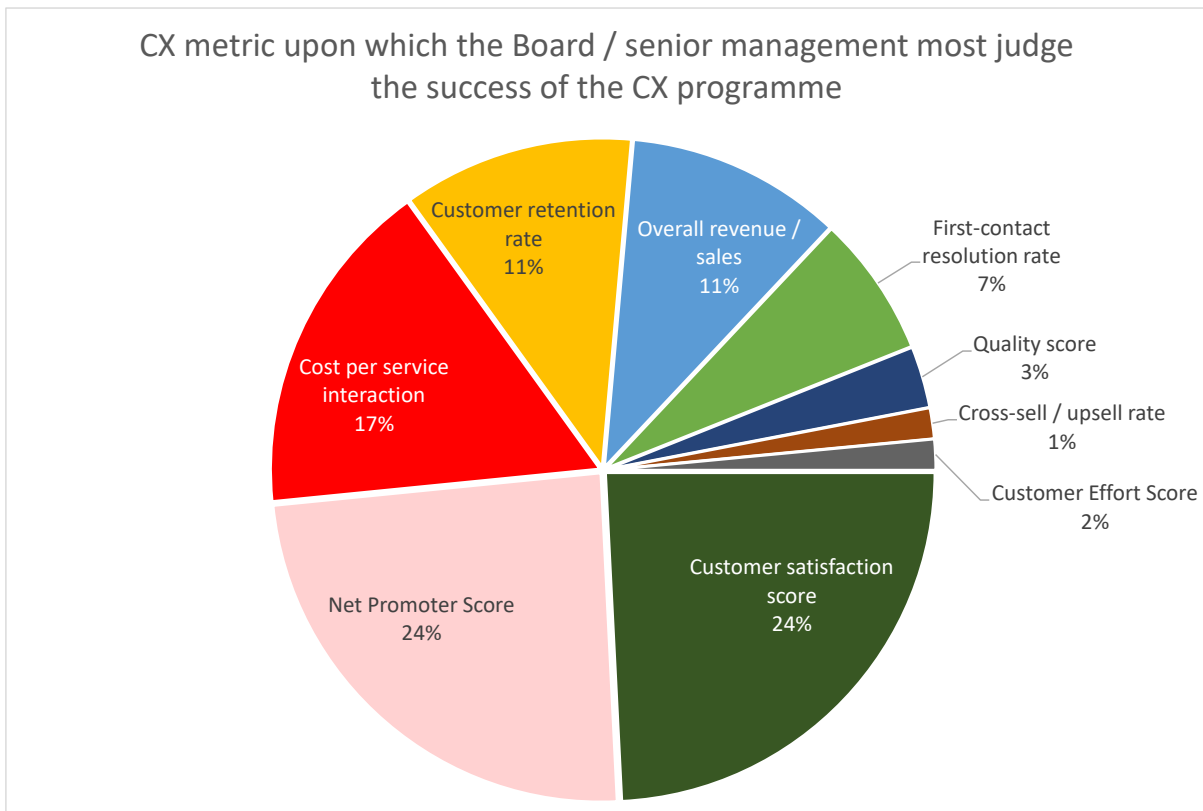
Survey respondents were asked to pick a single customer experience metric upon which their board or senior management team most judged the success or otherwise of the customer experience programme.

There was a wide mix of responses, with NPS and customer satisfaction score accounting for almost a half of responses.

Interestingly, despite customer effort score being stated earlier as the most useful CX benchmarking metric, only 2% of respondents stated that it was the CX metric considered most important by the senior management team.

Of even greater note is the fact that first-contact resolution rate was identified as being the key CX metric for senior management by only 7% of respondents, despite both the customer and business survey results earlier in this report showing clearly that first-contact resolution was the most important factor in influencing customer experience.

Figure 66: CX metric upon which the Board / senior management most judge the success of the CX programme



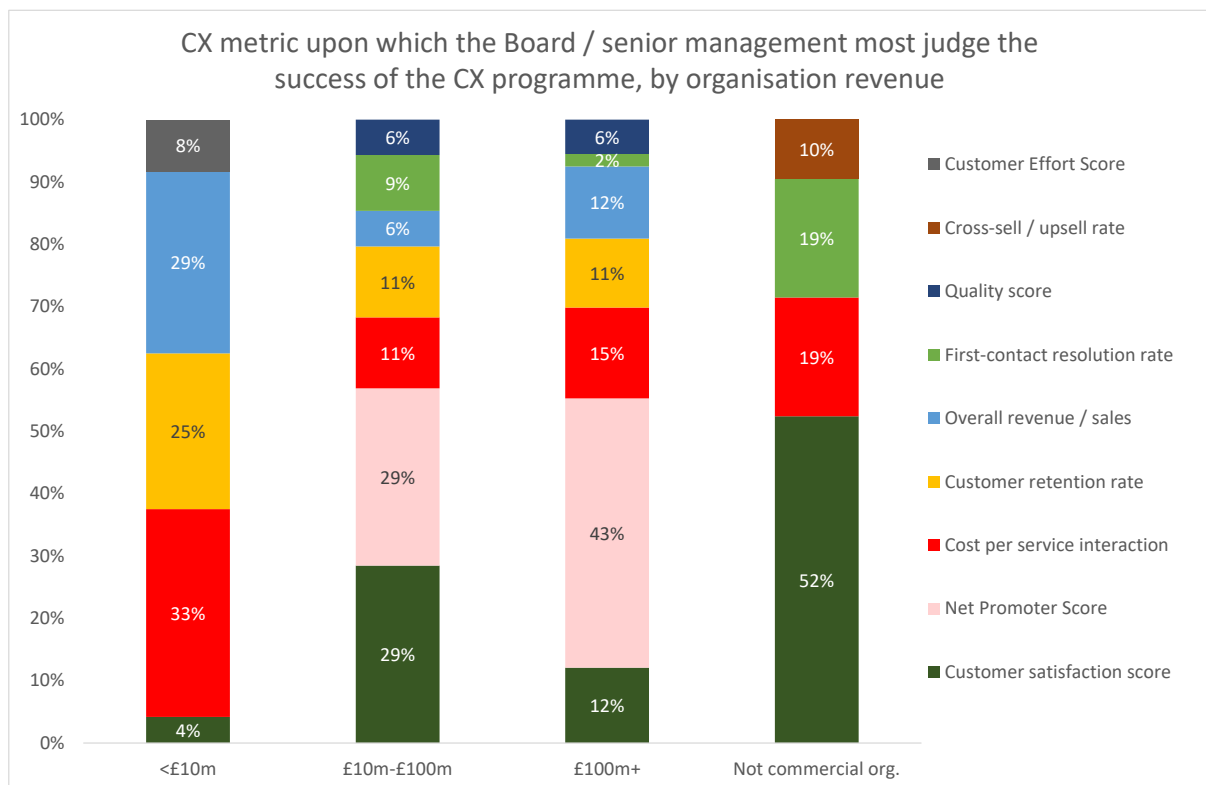
The following chart shows how small, medium and large organisations (as grouped by revenue) view the importance to the senior management team of each customer experience metric.

Larger operations are much more concerned about NPS, with 43% of respondents from the £100m+ group placing it first, and 29% of the £10m-£100m respondents also doing so.

Small operations are far more likely than large organisations to rate their cost per service interaction as being the most important metric, and 29% place overall revenues first.

Non-commercial organisations focus strongly on customer satisfaction scores, and are also most likely to use first-contact resolution as their no.1 CX-related metric.

Figure 67: CX metric upon which the Board / senior management most judge the success of the CX programme, by organisation revenue



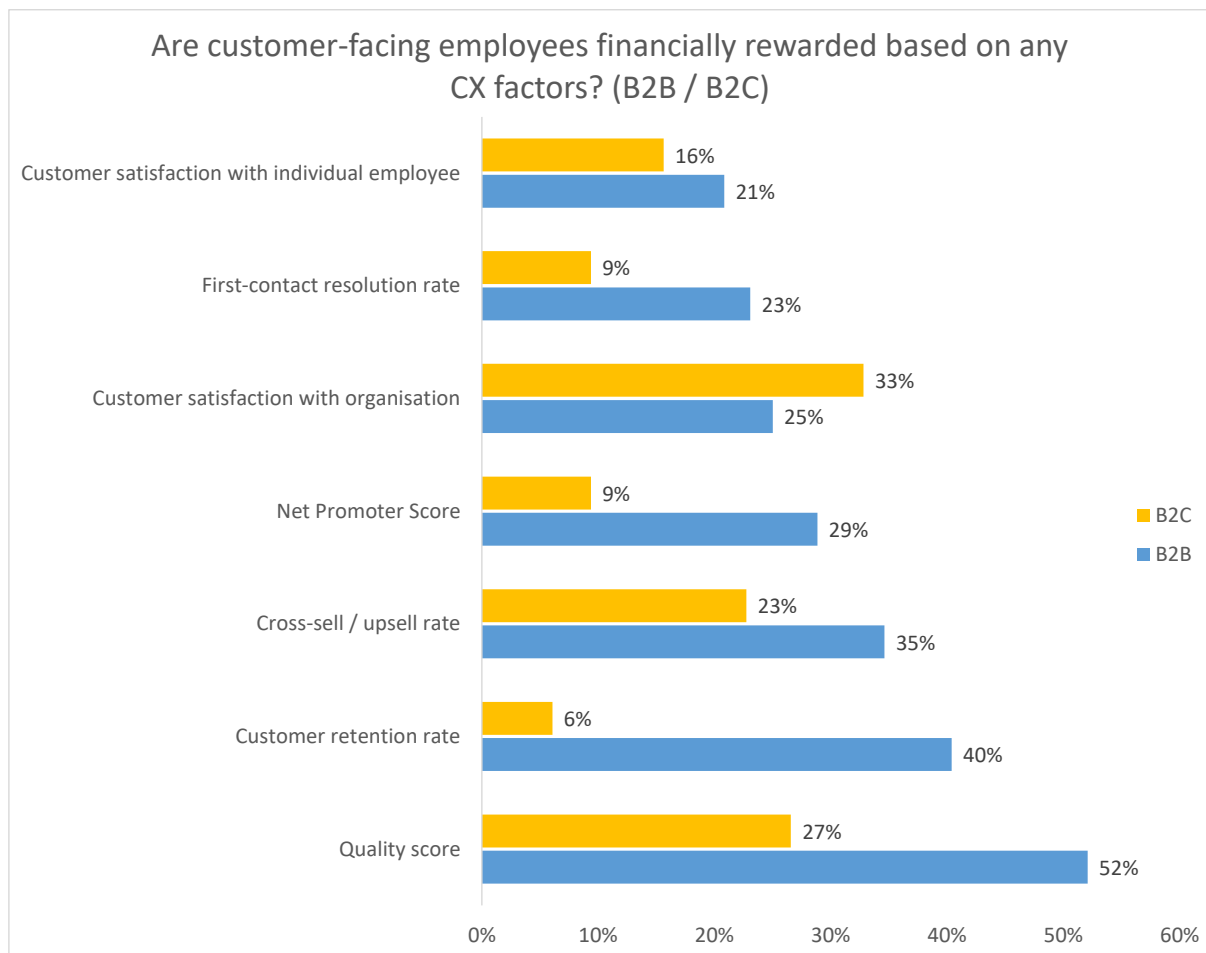
Respondents were asked if their customer-facing employees were financially rewarded based on any customer experience factors.

B2B respondents report a greater use of staff reward based on all of the key CX metrics presented in the survey except general CSAT, with quality score and customer retention rates again being the most rewarded.

B2C organisations may use general customer satisfaction as a basis for reward, although this is done in only 33% of cases.

It is disappointing and surprising to see the lack of importance placed by the B2C sector upon rewarding high first-contact resolution rates or customer retention rates, despite their overwhelming importance to the overall customer experience programme.

Figure 68: Are customer-facing employees financially rewarded based on any CX factors? (B2B / B2C)



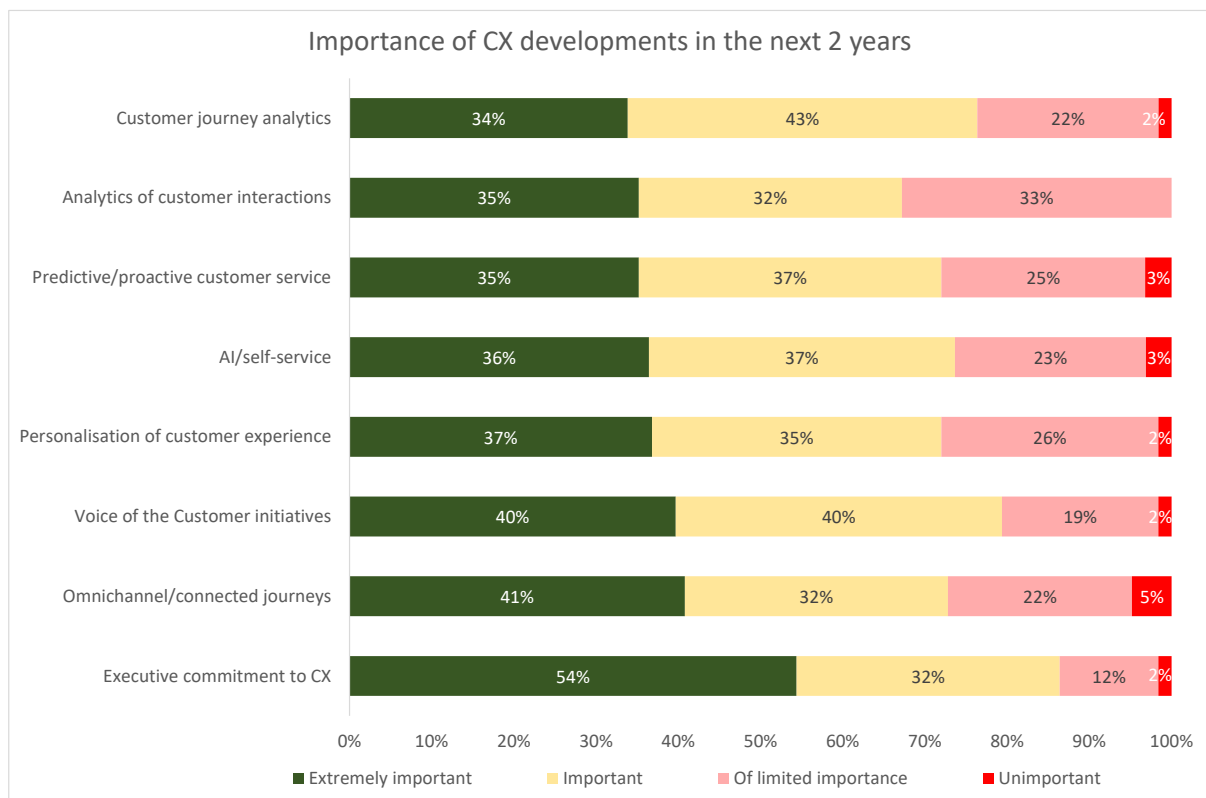
CX FUTURE STRATEGY

THE IMPORTANCE OF CX DEVELOPMENTS

Survey respondents were asked their opinion on how important various customer experience developments would be to their organisation in the next two years.

Perhaps the most striking finding was that the most important factor determining the future success of the customer experience programme was not technology-related, but rather a requirement for the continuing and strengthening executive commitment to improving customer experience, without which the multi-departmental CX initiatives could not hope to succeed.

Figure 69: Importance of CX developments in the next 2 years



CONCLUSION: CX STRATEGIES

The business and consumer surveys carried out in the course of the research for this report show that while improving the customer experience is high on the agenda for many organisations, most businesses are still a long way from where they want to be.

The key findings of this report can be summarised, and various strategies suggested for maximising the customer experience while improving profitability and managing cost:

- While customer experience is widely seen by businesses as being an important competitive factor, this year's survey shows that many more B2B organisations now see themselves competing on price, possibly driven by the pressures placed on them by the pandemic crisis
- the governance of the customer experience function has not generally made its way right to the top levels of an organisation, and is often seen as being subordinate to the wider operations or marketing role, especially in larger businesses
- a key aim of customer experience improvement is improving customer retention rates, although cost management is seen as being vital component as well
- the main investment in customer experience improvement programmes is focused on technology, with business process improvements and employee training receiving similar amounts of support as each other
- live telephony is still by far the largest communication channel used by customers, comprising 67% of inbound interactions. Email is second with 20%, and web chat accounts for around 4%
- however, despite the prevalence of telephony, the majority of customer experience investment is going into digital channels
- CX technology was said by many survey respondents to be under-supported in that it did not give a single view of customers across channels, and many businesses reported that they were being held back by the restrictions of legacy technology and inadequate budgets
- technology is not the only roadblock to CX: a lack of time and resource for CX improvements were also seen as being important
- businesses believe that the most important customer experience factors to a customer are first-contact resolution, short wait times and having a polite and friendly agent answer the phone. Having issues handled by a single employee is also seen as important, and can be linked to first-contact resolution rates
- from a consumer perspective, first-contact resolution and short wait times are also seen as being key to a positive customer experience. However, consumers also place far more emphasis on having UK-based employees to talk to than businesses believe

- most consumers still have a preference for live agent interactions rather than automation, even if self-service is done well. This is especially the case in complex or strongly emotional issues
- depending on the nature of an interaction – whether emotional, urgent or complex – multiple channels will need to be offered to the consumer base, especially live telephony, email and web self-service
- there are significant differences in channel preference by age and socio-economic group, so businesses should look to see which their own customer base prefers and in which circumstances, so that support and investment can be planned accordingly
- interaction analytics is generally said to be useful in collecting CX data, but is only used by minority of businesses
- an improved customer retention rate is seen by businesses as being the a key CX outcome. However, only a very small minority of respondents stated that customer retention rate was seen as the most important CX metric by their senior management team
- first-contact resolution rate is almost completely ignored as the primary indicator of the success of the CX improvement programme, despite both businesses and consumers indicating that it made the greatest difference to the actual customer experience
- a small minority of companies rewarded customer-facing staff based on customer retention rates or first-contact resolution, which were stated to be the two of the most desirable outcomes of a successful customer experience programme
- the executive team’s commitment to the CX improvement programme is seen as being more important than any business process or technology investment: without the former being in place, the latter simply won’t happen.

The surveys show that the telephony channel must be strongly invested in and supported, not only in the present day, but also into the foreseeable future. While digital channels and AI-based automation give the promise of a lower cost of service which is attractive to businesses, consumers state that they are currently more comfortable with live agent service, especially telephony-based, so there is no expectation that live telephony will become unimportant at any time in the foreseeable future.

Over time, the customer base will become more technologically sophisticated and comfortable with using automation, but businesses should be aware that this is a long and ongoing process and that dramatic changes in the short term are unlikely to have a positive effect on customer experience.

Organisations should consider rewarding agents for behaviours that support customer retention and improved first-contact resolution rates: something which is rarely done, despite the acknowledged importance of these metrics to the success of the customer experience programme and the business itself.

The findings of this report should encourage businesses to find out more about their own customers' preferences, and give an insight into what they actually value within an interaction. In this way, CX investments can be focused upon the areas and solutions that are valued most highly by customers, thus increasing retention rates and individual customer profitability while keeping service costs under control.

ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact centre strategies and talk to the right prospects. We have shown the UK government how the global contact centre industry will develop and change. We help contact centres compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact centre industry, perhaps we can help you.

Email: info@contactbabel.com

Website: www.contactbabel.com

Telephone: +44 (0)191 271 5269

Free research reports available from www.contactbabel.com (UK and US versions) include:

- The Inner Circle Guide to AI, Chatbots & Machine Learning
- The Inner Circle Guide to AI-Enabled Self-Service
- The Inner Circle Guide to Cloud-based Contact Centre Solutions
- The Inner Circle Guide to Contact Centre Remote Working Solutions
- The Inner Circle Guide to Customer Interaction Analytics
- The Inner Circle Guide to Fraud Reduction & PCI Compliance
- The Inner Circle Guide to Multichannel Workforce Optimisation
- The Inner Circle Guide to Omnichannel
- The Inner Circle Guide to Outbound & Call Blending

- The European Contact Centre Decision-Makers' Guide
- The UK Contact Centre Decision-Makers' Guide
- The US Contact Center Decision-Makers' Guide
- The UK Customer Experience Decision-Makers' Guide
- The US Customer Experience Decision-Makers' Guide

- UK Contact Centre Verticals: Finance; Insurance; Outsourcing; Retail & Distribution
- US Contact Center Verticals: Finance; Insurance; Retail & Distribution.