

ICXI - POST newsbriefing

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Introduction From The President

As 2023 draws its closing breaths it is not a year that, in international terms, any world leaders can be seen to have delivered an outstanding example of a good citizen experience to its people or their neighbours. Beyond the political scene the same may be observed among those leading the world's spiritual and social communities. In many ways 2023 may be recalled as a very sorry experience for citizens of many nations, responsibility for which may be laid either directly or indirectly at the doorstep of the fractured global stewardship of the world by its leaders. Given that human kind is supposed to have been civilised for between 4 - 5000 years one is tempted to wonder how long it will be before it realises that war and conflict is a stupid waste and good for nothing.

It is perhaps no small wonder that if the world's leaders appear to pay little attention to the experience they are delivering to their citizens that major corporations in sectors like finance, telecoms, energy and utilities may look at their example and also continue to really grasp the importance of providing their customers with a satisfactory experience as a report from Harvard Business Review demonstrates.(P8)

Many reports indicate while organisations state that they agree customer centricity is increasingly important, and that they believe they are responding to that need their customers do not agree. Who sets the standard? A disconnect that would appear to need to be addressed by those who lead those organisations.

A pre-pandemic study by Capgemini found that while three-quarters (75%) of organizations believe themselves to be customer-centric, only 30% of consumers agree. The pandemic upended customer experience by forcing companies into new ways to interact with and serve their customers. Digital transformation became essential to survive, and slow-moving projects kicked into high gear. One would expect that the net result would be significantly better customer experience once business has returned to normal. In fact, two data points suggest that things may be getting worse, not better. A June, 2023 study from Customer Contact Week Digital showed that 57% of customers surveyed thought that customer service had gotten worse in the last year, with a quarter of all respondents saying it had become much worse. A mere 4% thought customer service was much better.

Research from Netomi revealed that 65% of customers stated they had higher customer service expectations now than they did 3-5 years ago and that customers are becoming more irritated by long hold times. While results from a study conducted by Hyken revealed that 59% of customers believe that customer service is worse today than it was before the pandemic.



Data tracked by American Customer Satisfaction Index shows a decline from 77 in 2018 to 73.2 in Q3 of 2022,

With Artificial Intelligence widely heralded to hold many answers to the delivery of a better customer experience, it may be interesting to see what AI itself sees as the sectors performing less well and perhaps most in need of its help.

Chat GTP was asked the question and the unedited answer is

Reputation for customer service can vary widely, and opinions may differ based on individual experiences. However, certain sectors have historically faced more criticism for poor customer service. Some of these sectors include:

- 1. Telecommunications:** Many customers complain about long wait times, confusing billing practices, and issues with service quality.
- 2. Cable and Internet Providers:** Similar to telecommunications, cable and internet companies often face complaints about billing issues, service outages, and unresponsive customer support.
- 3. Airlines:** Flight delays, cancellations, lost luggage, and poor communication can contribute to negative perceptions of customer service in the airline industry.
- 4. Healthcare:** Some aspects of the healthcare industry, such as insurance companies, can be criticized for complex policies, claim denials, and difficulties in reaching helpful customer service representatives.
- 5. Government Services:** Government agencies may be perceived as having slow and bureaucratic customer service processes.
- 6. Financial Services:** Banks and financial institutions may face criticism for hidden fees, poor communication, and unhelpful customer service.
- 7. Retail (Some Sectors):** Certain retail industries, particularly those with a large online presence, may face complaints about shipping issues, product quality, and returns.

Given that this is not a study but what AI can find on the web it is perhaps a reflection that the market as scraped by Chat GTP is not giving the leaders in these sectors three hearty cheers and a rafter ringing round of applause,

So What Are The CX Priorities for 2024 - particularly in those sectors performing less well?

A paper by Dennis Wakabayashi one of the leading voices around the world on the topics of Customer Experience, social media, and digital marketing asks the question in this week's CXM Weekly



Will 2024 Witness the Rise or Demise of CX Leadership?

As 2024 unfolds, the narrative of Customer Experience (CX) Leadership is under the spotlight. Data underscores its significance: a survey of 1,920 business professionals highlighted CX as a prime focus for the next five years, over product and pricing. Additionally, companies with \$1 billion annual revenue could see an average revenue boost of \$700 million within three years post-CX investment¹.

However, a notion of 'CX Myopia' looms, suggesting an overemphasis on CX may overshadow crucial areas like product innovation and operational efficiency. Data from July 2021 to June 2022 shows a global balance between CX and operational efficiency, indicating a need for a balanced corporate strategy. Technological advancement is intertwined with CX evolution. By 2024, nearly half of the G2000 are projected to adopt Customer Data Platforms for real-time interactions, potentially boosting CX metrics and revenue by 5%.

The role of the CEO

In the corporate tapestry, the alignment between the CEO and CX Leaders emerges as a hallmark of a forward-thinking organization. As we stride into 2024, this alliance is not merely a strategic choice, but a determinant of the organizational narrative. When a CEO stands shoulder to shoulder with CX Leaders, it echoes a robust endorsement of a customer-centric ethos, seamlessly aligning CX strategies with the broader business objectives. This symbiotic relationship facilitates a shared vision, knitting together the threads of customer satisfaction with those of business growth.

The CEO's backing also unfurls a canvas of resources, empowering CX Leaders with the requisite human, financial, and technological assets to paint a compelling picture of customer experience. This not only propels impactful CX initiatives but narrates a tale of an organization adept at melding customer insights with operational acumen.

Within this narrative, the organizational culture morphs into a fertile ground, where the seeds of customer-centricity are sown and nurtured. A CEO's commitment to CX sets a tone that reverberates through the corridors, encouraging a collaborative ethos among departments, each striving to enhance the narrative of customer satisfaction and loyalty.

In this setting, the visibility of CX efforts doesn't merely flicker through; it shines brightly, casting a spotlight on the accountability that each chapter of the organization holds in delivering superior customer experiences. Furthermore, the CEO's involvement ensures that the narrative is not just compelling but also credible. The performance of CX initiatives is meticulously measured and evaluated against defined objectives, promoting a culture of continuous improvement and a narrative of success backed by data.

Where should CX Leaders focus their attention?

1. Harmonizing CX with Business Objectives: *The first order of business for CX Leaders is to ensure a harmonic resonance between customer experience strategies and overarching business objectives. This alignment is instrumental in demonstrating the tangible value of CX initiatives to various stakeholders.*

2. Data-Driven Decision Making: *The prowess of data analytics cannot be overstated in today's corporate realm. CX Leaders should harness the power of data to gauge customer sentiment, identify pain points, and measure the impact of CX initiatives on business metrics like customer retention and revenue growth.*

3. Fostering a Customer-Centric Culture: *Infusing a customer-centric ethos across the organizational fabric is pivotal, nurturing a culture that values customer feedback, encourages cross-departmental collaboration, and rewards customer-centric behaviors.*

4. Continuous Learning and Adaptation: *The dynamism of market conditions necessitates a culture of continuous learning and adaptation. CX Leaders should stay abreast of emerging technologies, evolving customer expectations, and best practices in the realm of customer experience.*

5. Engaging with Frontline Employees: *The frontline employees are the torchbearers of a brand's customer experience. Engaging with them, understanding their challenges, and empowering them with the right tools and training is quintessential.*

6. Leveraging Technology: *The advent of technologies like AI, machine learning, and analytics in the CX domain opens up vistas of opportunities. Leveraging these technologies can help in personalizing experiences, predicting customer needs, and automating routine interactions, thereby elevating the overall customer experience.*

7. Building Robust Feedback Loops: *Establishing robust feedback mechanisms to capture and analyze customer feedback is crucial. This feedback should be the linchpin around which CX strategies evolve and adapt.*

8. Demonstrating ROI of CX Initiatives: *Demonstrating the ROI (Return on Investment) of CX initiatives is crucial to secure sustained buy-in from senior leadership and other stakeholders. A clear linkage between CX efforts and financial performance can help in articulating the business value of customer-centric approaches.*

9. Advocating for Customer Privacy and Ethical Practices: *In an era where data privacy concerns are paramount, advocating for ethical practices in customer data handling and being transparent about privacy policies can bolster customer trust.*

Engaging in Industry Dialogues and Networks: *Participating in industry dialogues, forums, and networks can help CX Leaders stay ahead of the curve, exchange best practices, and collaboratively address common challenges in the CX domain.*

Final thoughts

The discourse around Customer Experience (CX) Leadership as we approach 2024 is a nuanced one, replete with both compelling endorsements and cautionary tales. The dynamic between CEOs and CX Leaders emerges as a pivotal axis around which the organizational narrative will revolve. The endorsement from the CEO not only fortifies the stance of CX Leaders but resonates a customer-centric ethos across the organization, which is instrumental in aligning CX strategies with broader business objectives.

The data points underscore the fiscal sagacity behind fostering a robust CX framework – it's not merely about riding the wave of a trend, but about anchoring the organizational ship in customer-centric waters to navigate the competitive market currents. However, the narrative also carries a note of caution against the backdrop of 'CX Myopia', highlighting the imperative of a balanced approach that doesn't overshadow other critical business facets like product innovation and operational efficiency.

Furthermore, the intertwining of technology with CX initiatives is a significant subplot in this narrative, indicating a trajectory where tech-savvy CX Leaders harness cutting-edge technologies to enhance customer interactions, measure the ROI of CX initiatives, and adapt to evolving market dynamics.

As the curtain rises on 2024, the spotlight is on how organizations, spearheaded by their CEOs and CX Leaders, will script their CX narratives. Will they strike a judicious balance between customer-centricity and operational efficiency, and harness the power of technology to craft engaging and profitable customer experiences? Or will they sway too far on the spectrum, risking a myopic vision or resource drain?

The unfolding chapters of 2024 will enrich this discourse, possibly providing a clearer picture of how the CX Leaders will etch their names in the corporate annals. The onus is on the enterprises to glean actionable insights from the ongoing discourse and sculpt a well-rounded strategy, ensuring that the narrative of CX Leadership is not just a fleeting subplot but a lasting legacy in the annals of corporate lore.

[Will 2024 Witness the Rise or Demise of CX Leadership? – Customer Experience | Dennis Wakabayashi](#)

Looking at the ten items that organisational leaders need to address in the coming year it is clear that the single underlying themes are

- to take CX seriously and provide active commitment and
- support to those functions that not only deliver the front line customer experience but also those that support those functions.

As Jan Carlzon of SAS said over forty years ago –***If you are not serving the customer then you had better be serving someone who is.***

Added to this general leadership requirement the most pressing issue at the moment is that around point **6.Leveraging Technology**.

While many earlier forays into customer management automation are continuing to have some success there are many that may be achieving some cost savings for organisations but have lost the support and trust of customers , Therefore regaining that trust will involve to a large extent *getting it right second time*.



A typical customer experience, with automation and chatbots? GETTY

Can chatbots really resolve service issues, and deliver satisfaction for customers? Consider these statistics, entered into evidence in the case against chatbots:

78% of consumers have interacted with a chatbot in the past 12 months – but 80% said using chatbots increased their frustration level.

78% of consumers were forced to connect with a human after failing to resolve their needs through an automated service channel.

63% indicated that their interaction with a chatbot did not result in a resolution.

72% felt that using a chatbot for customer service was a waste of time.

More than half of consumers (54%) believe that a phone call with a live agent provides the fastest resolution and best overall customer experience.

So what technologies are likely to be successful and help to regain customer trust.?

According to The Gartner Hype Cycle for Customer Service and Support Technologies, 2023 report describes the most important maturing technologies for supporting customers.

1. Generative AI

Gartner predicts that by 2025, 80% of customer service and support organizations will be applying generative AI technology in some form to improve agent productivity and customer experience (CX). Generative AI, which is currently at the Peak of Inflated Expectations, will primarily be used for content creation, AI-supported chatbots and automation of human work.

Generative AI's biggest impact is likely to be on customer experience. According to a recent Gartner poll, 38% of leaders see improving customer experience and retention as the primary purpose of initiatives to deploy applications trained on large language models.

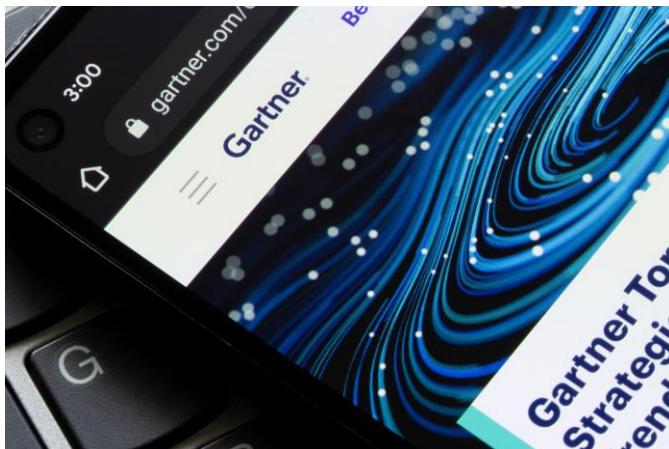
2. Digital Customer Service

As organizations have introduced a proliferation of digital engagement channels, customers have grown to expect instantaneous, effortless customer service experiences. Simultaneously, introducing more channels can increase customer effort as customers move between them.

Digital customer service offerings focus on seamless conversation orchestration across digital channels. The desire for self-service, combined with the emergence of conversational AI, has led to an evolution of most engagement models. As such, Gartner sees the emergence of a new area of customer care referred to as "digital customer service."

3. Conversational User Interfaces

CUIs are human-computer interfaces that enable natural language interactions for the purpose of fulfilling a request, such as answering a question or completing a task. CUIs provide direct control between the customer service agent and the applications they are operating. When used to automate support via chatbots, this technology improves customer experience and self-service adoption.



Why are 60% of managers actively seeking new roles for enhanced learning and development?

New research from HubSpot reveals 60% of marketing managers are considering a career shift within the next year, driven by the quest for more flexible working conditions, superior learning opportunities, and advanced technology. Let's take a closer look into this.

Harnessing AI's potential amidst budget constraints

The economic impact of 2023 has placed enormous strain on marketing budgets, with a quarter (25%) witnessing a decrease. Faced with this financial pressure, 80% of marketing managers have turned to Artificial Intelligence (AI) to aid their efforts.

However, concerns around data privacy and job security are also surfacing with over half of marketing managers (56%), while 50% expressed fears about AI making elements of their roles redundant.

Upskilling and AI: an industry imperative

AI's transformative power brings an urgent need for training and upskilling and while 66% of marketing managers are confident they receive appropriate training for current tech and tools, nearly half (46%) recognise a technology skills gap within their teams. Interestingly, despite 88% of marketing managers affirming AI's effectiveness, 43% perceive leadership's view of AI as negative.

[This week in CX: 3 technologies that will transform customer service and support - Customer Experience Magazine \(cxm.co.uk\)](https://cxm.co.uk)

This last point again emphasises the importance of leaders understanding and maintaining at its highest level the symbiotic link between and organisation's people at all levels and its customers if an upper quartile experience is to be delivered. A theme carried on by **Harvard Business Review** in their paper

Executives Need to Invest in Understanding the Customer Experience

by Joe McKendrick and Andy Thurai

Stress the imperative for leaders to engage properly with CX

Delivering superior customer experience (CX) is a mandate that now extends well beyond the bounds of customer service, support, sales, or IT departments. It requires a cultural shift that emphasizes pervasive information sharing and intent analysis across the enterprise. Executives not fully immersed in CX leave their organizations open to churn and reduced market presence. Executives across all domains need to step up and lead their organizations' CX efforts in order to survive.

Call it a sixth sense on the part of consumers. When connecting with a company to make a purchase or get a question answered — be it on a sales floor, over the phone, or online — one can intuitively sense the environment of that company. They can tell whether it's an inspiring and innovative place to work and cares about its customers and community, or is a terrible place to work that doesn't respect customers and has a stagnant corporate culture. Of course, there are cases where no intuition is even required, and the state of an organization's corporate culture is obvious through encounters with seemingly apathetic employees lacking the right information, or through confusing online interfaces. This is the crux of the current state of customer experience, or CX.

CX has long been seen as the primary duty of customer service personnel, and, more recently, technology staff charged with designing well-functioning digital and virtual interfaces. However, missing from the equation have been higher-level executives and decision-makers who haven't paid enough attention to CX efforts and have taken things for granted. A lot of leaders have never experienced how good (or bad) their company's customer experience is, and they assume it is always good, or at least passable.

This standoffishness by business leaders won't cut it anymore. First of all, CX needs to be recognized as more than presenting slick user interfaces or arming customer service staff with the latest and greatest analytics platforms. Rather, it is all-encompassing, focusing on not only the mechanics of transactions and engagements, but also customers' feelings about their time spent with a company. Was it surprise, joy, disappointment, or frustration? Or does it leave them feeling dirty dealing with this company?

Within many organizations, hierarchical management structures, siloed information sources, and low levels of training and inadequate career development lead to subpar CX. This is where executives and managers need to step up and build organizations more responsive — and more empathetic — to customer needs. Delivery of high-value CX has become a strategic concern for businesses — growth and revenues will now rise and fall based on customers' perceptions. This especially becomes acute as customer interactions go digital, in a world where engagements can be seen as commoditized and impersonal.

Only business leaders themselves can provide an enterprise-wide vision for uniting the organization behind superior CX, and remove the obstacles that stand in the way. They need to bring the following types of fresh thinking to the way people, processes, and technology deliver CX:

Commitment and training across all employee and management ranks to supporting or delivering superior CX, with tools and access to customer knowledge as needed.

An accommodating corporate culture that rewards empathy and an unwavering commitment to excellence

A well-connected, highly integrated, and intelligent infrastructure, sprinkled with AI tools that can augment human capabilities.

Many organizations fall short in these areas. A recent survey of 300 C-level executives showed that only half are confident they are able to provide high-quality digital experiences to customers such as proactive digital conversations, online and mobile self-service, and chatbot interactions. The survey, conducted by Joe McKendrick, co-author of this article on behalf of Information Today, Inc. and NICE, also finds a majority (59%) rate their company's first-contact resolution with customers as "poor" or "less than adequate."

So how to regain the trust?

In his current paper **Winning back customer trust with conversational AI** –Damien Smith explores the issue.



*Implementing conversational AI for your business will help boost your bottom line. But how can you present conversational AI (for example, a customer-led voice assistant) as an ally for your target audience and demonstrate its effectiveness in issue resolution? The answer is simple: **earn their trust.***

The first step to building trust in conversational AI is understanding customer reluctance. Many individuals are still skeptical about entrusting their concerns to AI, especially when seeking solutions to complex problems. Customers may think AI isn't sophisticated enough to resolve their issues. Traditional customer self-service channels, from FAQ web pages to chatbots, have fallen short in delivering actionable assistance, partly because these legacy systems rely on the customers providing specific keywords to drive conversations forward.

Despite organisations' substantial investments in customer self-service, only 9% of queries are fully resolved digitally, leading 71% of customers to prefer phone calls even for easily addressable issues. These inadequacies have perpetuated the notion that the only true path to resolution comes from human interaction. But, effective deployment of an intelligent voice assistant can change that.

Conversational AI to the rescue

To truly revolutionise the customer support paradigm, businesses must embrace the changing technological tides and work to build trust with intelligent voice assistants. Rather than restricting customers to keywords, customer-led voice assistants powered by conversational AI allow callers to speak freely. Sophisticated speech recognition technology is optimised for spoken language so the voice assistant can listen, understand and respond to calls no matter how customers pose their queries. This includes accounting for heavy regional accents, use of slang or colloquial terms, permitting for pauses and brief silences, filtering out background noise and "understanding" when multiple questions are being asked. Allowing customers to speak naturally helps foster trust and confidence in the voice assistant. As well as the assistant's ability to provide the best possible outcomes throughout conversations further validates that confidence.

The case for the Conversational User Interface CUI is carried on in a CXM Magazine editorial

Conversational user interface will transform CX and the way humans bring decisions

What is conversational user interface (CUI)?

The best way to explain CUI is to imagine Alexa, Siri, or an advanced version of ChatGPT. These are ‘humanised robots’ that use voice and sound to simulate human conversation.

A conversational user interface is an interaction between the interface and humans, but in a natural conversational manner. For this, a machine employs reasoning and human logic to respond to requests and engage in meaningful conversations. In other words, CUI is the closest we’ve come to blurring the boundaries between humans and machines in the realm of conversation.



We’ve seen CUI being used now across multiple industries for different uses to streamline processes within these spaces. A recent example we found through real-life use cases, not research, is in health. When getting in contact with health services recently, one of our editors found that she had to complete a referral form through a smart chatbot. Here was her perspective –

“Speaking to a chatbot rather than a human when it comes to my healthcare was fascinating because I never considered it to be a possibility before. The idea of talking to a robot about my sensitive, vulnerable information and losing that humane empathetic touch did feel robotic. Even my responses which could only be from a selection of ‘Sure’ and ‘Okay’ felt so stiff. Knowing that what the ‘person’ on the other end was saying was just a pre-programmed input said to millions of others felt uneasy. It wasn’t personal, and just overall was an odd experience in that respect.

“Nevertheless, it was an efficient process. This bot was put into place to fill in a self-referral form for me based on my answers from a selection of answers I chose from, or had to write one or two sentences for. Overall, the process took about 5 minutes. When this was done, I was ensured about next steps and my data information privacy.

“Despite the strange, futuristic, sci-fi feeling that came with this, the experience was just fine. I got done what I needed to get done in no time at all and could continue with my day. This is perhaps the reality we have to slowly get used to; but until then, it will feel like sci-fi prompt.”

How will CUI transform customer service and support?

Based on our close observation in the CX industry, here are some customer engagement aspects we can see adopted by companies and users sooner than we can imagine:

1. Inclusion and diversity perspective

Customers might choose the channel according to their preferences. With sound and voice conversational user interface, blind consumers, for instance, can benefit from service providers that were previously inaccessible. Furthermore, such virtual assistants could book a flight, find the cheapest options, and even print documents for unable users. All without the customer having to click a thing.

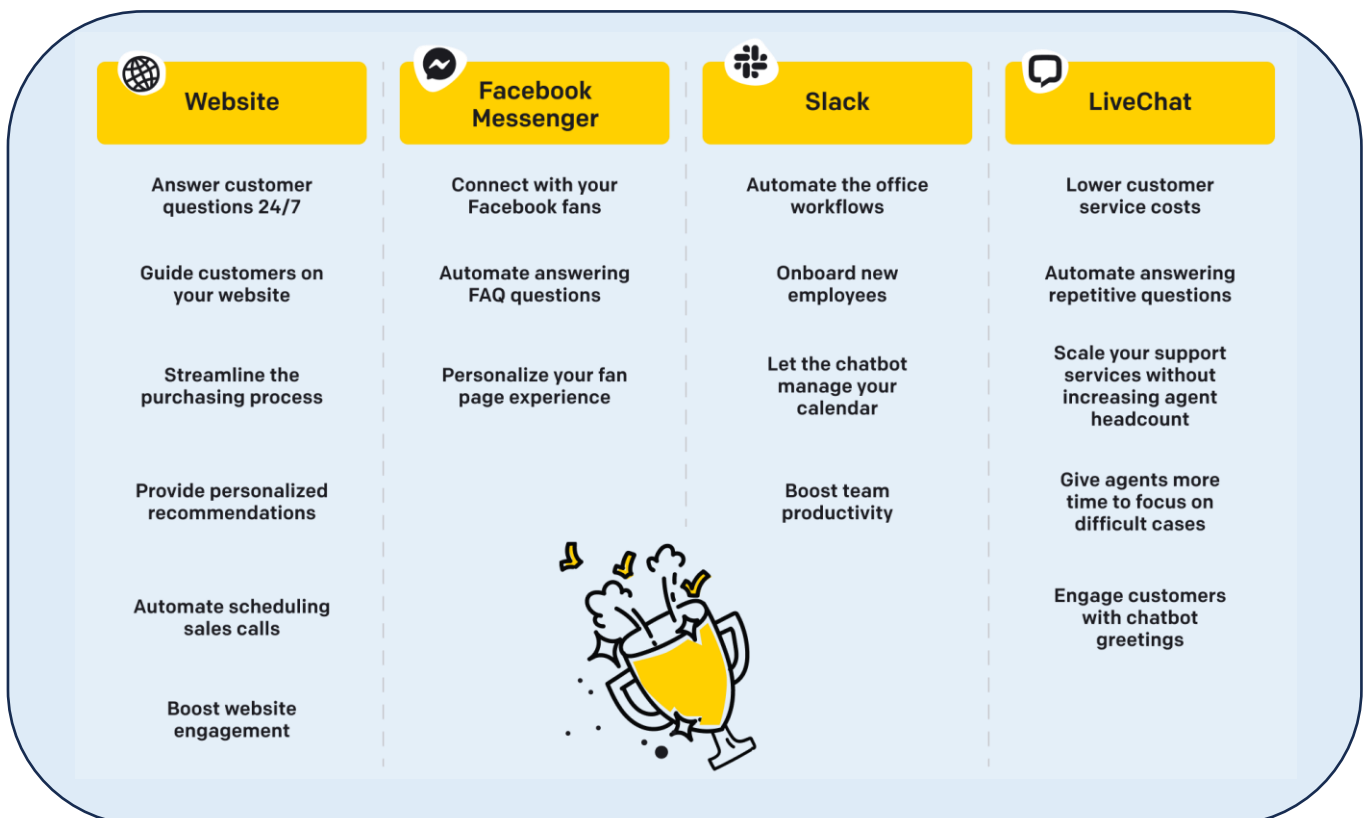
2. Call and contact centre agents' perspective

Conversational user interfaces will not only assist end-users but also aid representatives during demanding calls. CUIs can provide prompts to help representatives make faster decisions. Furthermore, virtual assistants will be trained to mimic representatives' reactions and respond to customers' calls. In this way, some companies hope to reduce biases and ensure patient and empathetic conversations that human representatives can't always offer to customers.

3. Surveys and customer feedback

There are assumptions in the CX space that CUI will allow biometric feedback systems. These technologies can measure emotional reactions by conducting real-time sentiment analysis. This further means we can gather feedback without asking questions or sending surveys.

[Conversational user interface will transform CX and the way humans bring decisions - Customer Experience Magazine \(cxm.co.uk\)](https://www.cxm.co.uk/conversational-user-interface-will-transform-cx-and-the-way-humans-bring-decisions)



Christmas Quiz



Digital Maturity is a tool from Digital Leadership Ltd. Digital Leadership Ltd is a UK-based consultancy helping non-profits work better through digital but the information the 10 minute survey takes may well help any organisation so why not invest 10 minutes at the end of a strange year to make next year a better experience. Press ctrl /click the link to find out

[Assessment | Digital Maturity](#)



The Last Word

As we look forward to 2024 with renewed hope from the unsettled arena that has been 2023 that world leaders who have shown little care for the experience they have delivered to their citizens or their neighbours in 2023 leaders will discard their prejudices and tribal instincts and at least begin to work together to deliver a more stable global environment and a better human experience in matters of war and conflict, political irresponsibility,, economic management and environment and climate control.

Given the outstanding technology at mankind's disposal there must be opportunity for it to be more positively employed both for the benefit of the worlds

By the same token may the leaders of organisations follow the Harvard Business Review advice.

Customer experience needs to be front and center in management decision-making. It takes an enterprise to deliver superior CX, and business leaders need to make this happen and be fully immersed in it as if their business depends on it. Because it does.

Customer experience delivery is a leadership issue.

Season's Greetings to the world and its customers for a peaceful and positive 2024.

Recommended Reading

<https://hbr.org/2023/03/executives-need-to-invest-in-understanding-the-customer-experience#:~:text=Customer%20experience%20needs%20to%20be,Because%20it%20does.>

<https://www.forbes.com/sites/rogerdooley/2023/06/30/is-customer-experience-in-decline>

<https://www.service800.com/resources/the-state-of-customer-experience-in-2023#:~:text=Flat%20or%20Declining%20CX%20Scores,22%20tracked%20industries%20in%202022.>

[Will 2024 Witness the Rise or Demise of CX Leadership? – Customer Experience | Dennis Wakabayashi](#)

[Forbes.com/sites/chriswestfall/2022/12/07/chatbots-and-automations-increase-customer-service-frustrations-for-consumers-at-the-holidays/](https://www.forbes.com/sites/chriswestfall/2022/12/07/chatbots-and-automations-increase-customer-service-frustrations-for-consumers-at-the-holidays/)

[Winning back customer trust with conversational AI – CXM](#)

[Conversational user interface will transform CX and the way humans bring decisions - Customer Experience Magazine \(cxm.co.uk\)](#)

<https://www.chatbot.com/chatbot-best-practices/>
[This week in CX: 3 technologies that will transform customer service and support - Customer Experience Magazine \(cxm.co.uk\)](#)