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Introduction From The President

Welcome all to 2025. Since the mid 1970's Customer Service has appeared on, and in terms of importance climbed up the leadership agenda. So, after 50 years of extensive skills and knowledge development it would be reasonable to expect that customers, the group to whom customer service is delivered would be enjoying a supplier experience that has taken professionalism in the execution of service delivery to a level that exceeds every expectation and could only be described as exceptional.

Unhappily the reality often checks out as someway off that scenario.
This begs the question- Why is the vital issue which establishes, manages and perpetuates the process by which the money passes from the customer to the organisation not being more carefully managed?

The step is perhaps to take a look at the reality of the situation, then to examine what are the areas that are creating that opinion and then to understand more about how the situation may be improved. Additionally, it may be useful to look a little into the future to see what opportunities or threats may be lurking beyond an increasingly misty horizon a phenomenon that appears to be a recent development . Roger Dooley of Forbes magazine reported in June 2023 that interest in CX had been steadily improving until the last quarter of 2022.

Interest in "customer experience"
Google Trends

Feb 16, 2020

Sep 18, 2022

Google Trends shows that searches for "customer experience" are declining ROGER DOOLEY

CMS Newswire in their review **The Worst CX Ever?** By Scott Clark report

The quality of CX among US businesses has plummeted to its lowest point ever.

The Gist

CX decline. Quality of CX among U.S. businesses has reached its lowest point ever, raising critical questions about customer satisfaction.

Omnichannel flaws. Inadequate omnichannel experiences lead to suboptimal channel selection, causing customer frustration.

High-effort platforms. Digital and self-service platforms often require excessive effort from customers, leading to dissatisfaction.

In an era where exceptional customer experience (CX) is often the linchpin of business success, a concerning trend has emerged.

According to the just-released 2024 Forrester Customer Experience Index, the quality of CX among U.S. businesses has plummeted to its lowest point ever, marking a third consecutive year of decline. This alarming downturn reflects broad and deep declines across multiple industries and raises critical questions about the underlying factors eroding customer satisfaction.

As businesses grapple with these challenges, understanding the implications of this persistent decline, and what can be done about it, is crucial for any business that is committed to reversing the trend and fostering genuine customer loyalty.

What Is Causing the Unprecedented Decline of CX Quality?

According to this recent revelation from Forrester, CX in the United States is said to have reached a critical juncture. For the third consecutive year, the overall quality of CX has deteriorated, plummeting to an unprecedented low. This systemic decline spans across an array of industries, marking a concerning trend for businesses committed to building robust customer relationships. The implications of this continuous decline are profound, suggesting potential upheavals in customer loyalty and retention. Businesses now face the urgent challenge of deciphering the underlying causes and strategizing effective countermeasures to halt or reverse this decline, thereby safeguarding their competitive edge and ensuring customer satisfaction. The decline in CX quality over the past three years is not just a transient blip but a persistent and deepening trend that has pushed CX scores to their lowest point in history. Forrester's report reveals a stark landscape where the average CX score among U.S. companies has dipped significantly. This year, the average plummeted by 1.6 points, dropping from 70.9 to a concerning 69.3 on Forrester's 100-point scale. The data illustrates not only a broad erosion across various sectors but also the depth of the issue, with an unprecedented 39% of brands experiencing significant declines.

CMS Newswire in their review **The Worst CX Ever?** By Scott Clark report

In addition, at a time when AI has been touted as the end-all-be-all solution for both CX and customer service, Forrester's report hit especially hard. Nicolas de Kouchkovsky, industry analyst, CMO at boutique advisory and market development firm CaCube Consulting, recently suggested in a LinkedIn post that the reasons for the CX disconnect are due to three flaws in brands' current approaches:

Inadequate Omnichannel Experiences: While brands have expanded their omnichannel options, they often fail to guide customers to the most effective one for their specific needs. This lack of direction can lead to suboptimal channel selection, resulting in customers either hopping between channels or using multiple channels simultaneously without satisfaction.

High-Effort Digital/Self-Service Experiences: Many digital and self-service platforms place undue burdens on customers, requiring them to exert significant effort to accomplish tasks that could be streamlined. Although these platforms offer the convenience of operating on the customer's schedule, they frequently lack proactive assistance or recommendations, especially when exceptions arise. Consequently, when issues occur, customers are forced to restart the process and explain their situation to a human agent from scratch.

Scripted and Disempowered Agents: Customer service agents are often overly reliant on scripts, which can restrict their ability to empathetically and effectively engage with customers. In addition, these agents typically lack the authority to handle issues that deviate from standard procedures, leading to frustrating interactions for customers who require personalized solutions.

And what are some of the big challenges internally to creating great customer experiences? Respondents told CMSWire in our State of Digital Customer Experience report 2024 edition their top challenges include:

Limited cross-department alignment/collaboration: 43%

Siloed systems, technology integration challenges and/or fragmented customer data: 38%

Limited budget/resources: 36%

Outdated/limited technology, operations or processes: 33%

Lack of in-house expertise/skills: 30%

Limited insights into customer needs or customer journey(s): 29%

https://www.cmswire.com/customer-experience/the-worst-cx-ever/

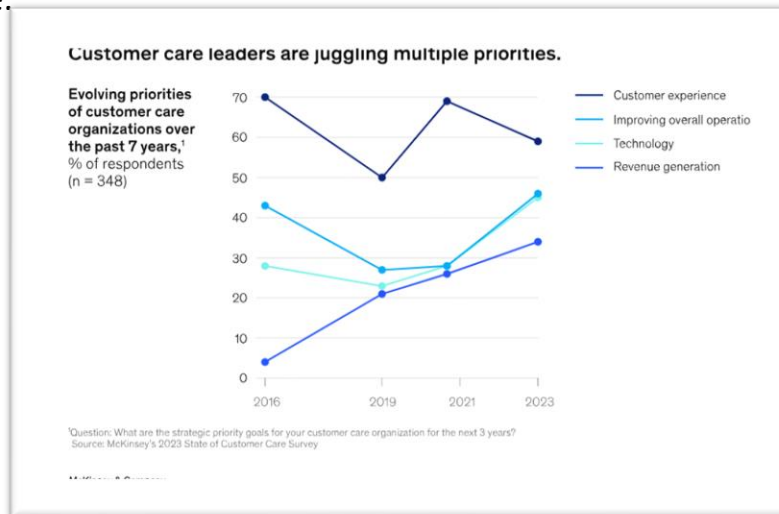*Customer Perceptions Signal Trouble*

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. At at time when one expects companies to be consolidating the gains made during the pandemic and fine-tuning their operations, the majority of this group of customers is saying the opposite - things are worse or much worse.

Moving ahead to 2024 Kate Hardcastle from Forbes magazine asks the questions

Has Great Customer Service Checked-Out Of Retail For Good?

Findings from FM Outsource highlight a disconnect, with nearly half (42%) of UK consumers feeling that customer service is no longer a priority for businesses.

Last year Mckinsey and Co indicated that customer care leaders had a number of other priorities to balance.

Customer care leaders are juggling multiple priorities.

Evolving priorities of customer care organizations over the past 7 years,[1] % of respondents (n = 348)

Legend: Customer experience; Improving overall operatio; Technology; Revenue generation

[1]Question: What are the strategic priority goals for your customer care organization for the next 3 years?
Source: McKinsey's 2023 State of Customer Care Survey

A report that also contained a couple of interesting trend developments among the younger generations that may possibly be led by frustration with the effectiveness of new technology?

There's also evidence that younger consumers are getting tired of the digital self-service paradigm. One financial-services company reports that its Gen Z customers are 30 to 40 percent more likely to call than millennials, and they use the phone as often as baby boomers. Premium-segment customers of all ages also prefer the phone, with many saying that live phone support is part of the premium service they are paying for.

These findings don't point to a future of phone-only customers, however. While customers of all generations prioritize support from a real person, they also want the flexibility to use different channels according to their needs. Digital-chat services have achieved a high level of acceptance across generations, and email remains important, especially for older consumers

Where is customer care in 2024? | McKinsey

Among the priorities that organisations are having to deal with is the management of rising costs caused by a combination of global and local causes. In the UK one of the local causes is the imposition of an increased tax burden on organisations which has led many to downsize their customer management operations as a route of cutting costs and to pin the future of the provision of that support on the emerging capabilities of AI.

CX Network in its November 24 Report **"UK customer service departments downsize"**

Several major organizations in the UK have announced plans to reduce their customer-facing workforces in the UK. The businesses include retailer H&M, insurer Direct Line and international bank Santander, and they have put the job cuts down to cost cutting and changes in customer behavior. Insurer Direct Line also cited a loss of market share, revealing the number of policy holders it serves has declined by 400,000, around 11 percent of total business.

On November 11, retailer H&M announced 150 jobs would be lost when it closes a call center in Edinburgh. The reasons for the move include higher operational costs, changes in customer behavior and rising competition. In a statement, H&M said: "We constantly evaluate how we operate to ensure that we deliver on our goals and contribute to the overall success of the company.

On the same day, Direct Line said it had started consultations to reduce its 9,000-strong workforce by up to six percent (around 540 roles), although some of these include vacancies it will no longer look to fill. In total, the insurer hopes to save £50 million in 2025 in response to losing 11 percent of its 3.05 million customers.

Last month, Santander said more than 1,400 jobs would be lost across the UK business as it looks to automate more operations. At present, Santander employs 21,812 people in the UK and has said the layoff will happen before the end of 2024. However, the bank has not clarified how many customer-facing roles will be included in the cuts. Santander is one of many banks that may have to pay compensation to customers who took out a loan to pay for their car.

There is a temptation to ask the question as to whether the loss of customers is in fact due to changes in customer behaviour or a lack of focus on proper customer care?

However, there is a need to try to understand what are the causes for the customers' perception(the only one that really matters) that the customer experience is declining.

Michael E Donner in his Linked In article **The Decline of Customer Service: Why Companies Are Failing to Delight and What Needs to Change** proposes the following

In an era where technology has made communication faster and more accessible than ever, it's ironic that customer service seems to be at an all-time low. From automated phone systems to generic email responses, many companies have lost sight of the importance of genuine human interaction and personalized care. So why has customer service taken a nosedive, leaving consumers feeling abandoned and frustrated?

1. Lack of Investment in Customer Delight. One of the primary reasons for the decline in customer service is the shift in focus from customer satisfaction to cost-cutting measures. Many companies prioritize short-term financial gains over long-term customer loyalty. Consequently, investments in customer service training, hiring skilled representatives, and implementing efficient systems have taken a backseat. This shortsighted approach leaves customers feeling undervalued and unimportant.

2. Emphasis on Quantity over Quality. In the pursuit of scalability and efficiency, some companies have sacrificed the quality of customer interactions. Automated responses and scripted replies may save time and resources, but they often fail to address the unique needs and concerns of individual customers. As a result, customers feel like mere numbers in a database, rather than valued patrons deserving of personalized attention.

3. Failure to Adapt to Changing Expectations. The rise of social media and online reviews has empowered consumers to voice their opinions louder than ever before. Yet, many companies have been slow to adapt to this new landscape. Negative experiences shared on platforms like X and Yelp can quickly tarnish a company's reputation, yet some businesses still underestimate the impact of poor customer service on their bottom line.

4. Disconnect Between Marketing and Customer Experience. In many organizations, there exists a disconnect between marketing strategies and the actual customer experience. Marketing executives often focus on acquisition rather than retention, leading to a misalignment of priorities. To truly delight customers, marketing efforts must be aligned with the delivery of exceptional service at every touchpoint.

The Cost of Neglecting Customer Service: A Recipe for Brand Disaster

Neglecting customer service isn't just a matter of inconvenience for customers; it's a recipe for disaster that can have profound consequences for a company's brand and bottom line

Is AI the Magic Answer?

One of the points to emerge from this and many other reviews of poor CX performance is the view, or perhaps hope, that AI will come to the rescue on many of these issues addressing waste elimination, cost reduction and improved customer experience . It is true that AI is making great and very rapid advances and creating multiple application opportunities and there is evidence that AI . There is however one side of AI that presents both an opportunity and a potential threat.

Traditionally the internet has been a valuable source for customers to check on the CX performance of an organisation through any number of customer driven feedback sites which are a proven factor in whether of not a customer decides to engage with an organisation or not. Most also offer the supplier an opportunity to respond.

Today customers both B2B and B2C are being actively encouraged to ask AI programmes questions about anything they choose, It is understood that generative AI not just a search engine designed to gather data from the web but a technology that learns and analyses data

From this AI generates what may be called **The AIO – the Artificial Intelligence Opinion**

The answers to such questions often carry a disclaimer like

Disclaimer: *This information is for general knowledge and discussion purposes only*.

The question to ask about this is the degree to which the person seeking the **opinion** of AI will bother to take the disclaimer into account especially if the opinion of AI is particularly damning?

How to help AI to learn and develop a positive opinion of an organisation appears to be a challenge that lies ahead.

An Example Chat GTP was asked this question about a real major international bank

*Why does **XXXXXX XXXXXXX XXXX Bank** have a have a poor customer experience reputation?*

The opinion of Chat GTP is

XXXXXX XXXXXXX XXXX Bank *has faced criticism regarding its customer experience, with some common complaints including:*

- **Long wait times for customer service:** *Customers often report extended hold times when trying to reach a representative by phone.*

- **Account freezes and holds:** *Some customers have experienced unexpected account freezes or holds, which can disrupt their financial transactions.*

- **Difficulty resolving issues:** *Customers may find it challenging to resolve issues or disputes with the bank, requiring significant effort and time.*

- **High fees: XXXXXX XXXXXXX XXXX Bank** *has been criticized for its fee structure, particularly regarding overdraft fees and other charges.*

- **Limited branch availability:** *Depending on the location, access to physical branches can be limited, which may be inconvenient for some customers.*

*It's important to note that these are common complaints, and individual experiences may vary. **XXXXXX XXXXXXX XXXX Bank** has also taken steps to improve its customer service, such as investing in digital tools and expanding its branch network.* [1]

1. [XXXXXX XXXXXXX XXXX Bank makes multi-billion dollar investment in its branch network](#)

As a major B2B organisation seeking to, or being prospected to, become a customer of that bank could that influence its negotiations with the bank?

However, it's not always bad news the same question was asked of an international energy supplier and the response was

XXXX XXXXX CO customer experience reputation has been mixed, with some customers praising their service while others expressing dissatisfaction. Some common complaints include issues with billing accuracy, long wait times for customer service, and difficulties switching suppliers. However, XXXX XXXXX CO has also received positive feedback for their smart meter technology and customer service representatives' helpfulness.

Is it worth asking AI what it "thinks" about your organisation or the industry or sector in which it operates?

The key question may be if customer experience is in a state of decline is it still important?

Perhaps the first opinion should come from ChatGTP

Question - *Is the customer experience still important in 2025*

Yes, customer experience (CX) is still incredibly important in 2025 and will continue to be a key differentiator for businesses. Here's why:

Increased Customer Expectations: Customers are more informed and demanding than ever. They have access to information and can easily compare products and services. They expect personalized, seamless, and efficient experiences across all touchpoints.

Digital Transformation: The rise of e-commerce and digital channels has shifted the focus to online experiences. This includes website usability, mobile app functionality, social media engagement, and online customer support.

Competition: In a crowded marketplace, exceptional CX can give businesses a significant competitive edge. Loyal customers are more likely to make repeat purchases, refer friends, and become brand advocates.

Data-Driven Insights: Businesses can leverage data analytics to gain valuable insights into customer behavior, preferences, and pain points. This allows them to tailor their CX strategies for maximum impact.

Technology Advancements: Emerging technologies like AI, machine learning, and automation are transforming CX. These technologies can be used to personalize interactions, automate routine tasks, and provide proactive support. Key CX Trends for 2025:Hyper-personalization: Delivering tailored experiences based on individual customer needs and preferences.

Omnichannel Experiences: Seamlessly integrating online and offline channels to create a consistent customer journey.AI-Powered Interactions: Utilizing AI chatbots, virtual assistants, and other AI-powered tools to enhance customer support and engagement. Proactive Customer Support: Anticipating customer needs and proactively addressing potential issues.

Focus on Sustainability: Customers are increasingly prioritizing sustainability. Businesses that demonstrate a commitment to environmental and social responsibility can build stronger customer relationships.By prioritizing customer experience, businesses can build stronger customer relationships, increase loyalty, and drive revenue growth in 2025 and beyond.

The views of the web gurus add some flesh to those bones. Christina McAllister from Forrester advises in her report

Predictions 2025: CX Fortune Will Favor The Bold

It's been a … rough couple years for customer experience (CX), to say the least, with 2024 seeing CX quality hit an all-time low. This begs the question: Why has such pervasive mediocrity become the norm? The "low-hanging fruit" of easy CX wins has been picked, and eking out differentiation on the basis of CX will require significant, strategic investment. Yet as many executives have (mistakenly) interpreted strong stock performance amid declining CX quality as a signal to maintain the status quo, they inadvertently clear the path for those committed to delivering good CX.

We hate to be the bearer of bad news, but it looks like 2025 will be another year of CX mediocrity for most brands. But there's a silver lining! For bold CX leaders ready to kick things into high gear, this might just be your year. The effort to pull away from the pack will demand commitment, but the strategic advantage in a landscape where others are holding back will be significant. Here are three of our 2025 predictions that highlight the challenges (and opportunities) awaiting CX leaders:

1. GenAI will displace 100,000 frontline agents from the top global outsourcers. The contact center outsourcing market is an unseen behemoth, quietly powering 62% of brands' contact center operations. This market has historically thrived on a labor arbitrage model — yet this reliance on ever-cheaper labor is exactly what makes it ripe for generative AI (genAI) disruption. As genAI successfully automates low-complexity issues, the demand for human agents will shrink. Many outsourcers will shrink headcount in response, hitting the lowest-cost markets the hardest. In this evolving landscape, the choice for CX leaders is clear: to partner with outsourcers that view emerging technologies as a pathway to evolution, not extinction. The strongest partners will adopt outcome-based models that align directly with client success, marking a pivotal shift toward value over volume.

2. Half of accessibility efforts will have negligible CX impact. The spotlight on digital accessibility is intensifying as the European Accessibility Act's June 2025 deadline approaches. Despite 59% of design pros reporting exec-backed commitment to digital accessibility, a significant divide remains between intention and action. Forrester's prediction underscores this gap: Only half of these companies are expected to undertake meaningful efforts to enhance accessibility. The rest will resort to superficial measures: quick-fix products and find-and-fix programs that fall short of making digital spaces genuinely accessible. The key to bridging this divide lies in embedding accessibility principles into the design process from the outset, ensuring that efforts translate into tangible benefits beyond mere compliance.

3. One in four CX teams will cut underused tools in favor of "good enough" enterprise suites. On average, CX teams use four technologies and often only scratch the surface of their capabilities — capabilities often mirrored in the enterprise suites that their organizations already leverage. This overlap has caught the attention of IT departments eager to reduce software redundancies and expenses. Forward-thinking CX leaders will get one step ahead, choosing to cut the fat themselves by embracing function-first procurement strategies. They will content themselves with "good enough" enterprise solutions for commoditized but necessary functions such as post-interaction surveys and conversation analytics. This will free up resources to invest in tech to tackle their most pressing challenges: linking CX improvements directly to business outcomes and effectively acting on customer insights.

https://www.forrester.com/blogs/predictions-2025-customer-experience-cx/

More generally What are the stronger CX emerging themes?

Freepik

The CMS News Wire editorial ***Consumer Trends for 2025: Insights and Opportunities Across Industries*** Johann Wrede writes

*Consumer behavior trends are shifting, with **transparency, sustainability and empathy** becoming core expectations for brands to meet in every interaction.*

The Gist

Transparency drives loyalty. *Consumers expect transparency in pricing, data usage and sustainability. Trust is a key driver of loyalty across industries.*

Sustainability is essential. *Sustainability has become a baseline expectation, with consumers seeking brands that align with their environmental values.*

Empathy enhances engagement. *Empathetic, personalized experiences are crucial for connecting with customers. Brands that show understanding and inclusivity build stronger, more loyal relationships.*

As 2025 approaches, consumer behavior continues to evolve rapidly, shaped by advancing technologies, shifting economic conditions and a growing emphasis on personal values like transparency and sustainability. These changes present both challenges and opportunities for businesses to adapt and thrive.

Regardless of the industry, a common thread is rising consumer expectations for personalized and meaningful interactions at every touchpoint. Experiences in one industry often inform expectations in another. When consumers encounter seamless personalization in retail or empathetic support in healthcare, they carry those standards across industries.

This cross-pollination of expectations reflects some core universal themes, including the desire for trust, empathy, sustainability, clear communication and easy access to information. Consumers are seeking brands that understand their needs, respect their individuality and reflect their values. Whether shopping for groceries, securing a financial future or managing their health, consumers want easy, meaningful experiences that resonate deeply. Brands that deliver these qualities at scale will cultivate lasting relationships with their customers.

Transparency and Trust: *Consumers value honesty and clarity in every interaction, which makes transparency a cornerstone of trust. Across industries, trust-building takes different forms, but it serves the same purpose of cultivating loyalty.*

Retail: *Shoppers demand clear sourcing information and pricing transparency, and they gravitate toward brands that openly share their sustainability practices.*

High-Tech: *Consumers seek clarity about how their data is collected and used, and they expect brands to prioritize privacy and security.*

Healthcare: *Patients trust providers that are upfront about care options, costs and the use of personal health data*

AI is forecast to have a huge impact od CX in the years ahead. It therefore felt right to ask ChatGTP for its "opinion" on what customer say needs fixing

The Question - *If everyone cares about quality customer experience why do customers think it is rubbish* ***The Answer*** *- You're right, despite the emphasis on customer experience (CX), many customers still feel let down. Here are some key reasons why:*

O   Expectations vs. Reality: Customers often have high expectations, fueled by social media, competitor promises, and personalized experiences from some companies. When these expectations aren't met, they feel disappointed.

o   Inconsistency: Even within the same company, experiences can vary wildly depending on the channel (phone, email, chat), the employee, or the time of day. This inconsistency erodes trust and makes it hard for customers to predict what to expect.

*•   **Common CX Pain Points:***

o   Long Wait Times: Whether it's on hold, in a queue, or navigating a complex website, customers value their time.

o   Unhelpful Agents: Dealing with agents who lack knowledge, are rude, or seem uninterested is incredibly frustrating.

o   Lack of Empathy: Companies often focus on policies and procedures rather than understanding the customer's individual needs and emotions.

o   Self-Service Frustration: Many companies rely heavily on automated systems and self-service options, which can be difficult to navigate and often fail to resolve the issue.

*•   **Lack of Genuine Focus:***

o   CX as a Marketing Tactic: Some companies pay lip service to CX, using it as a marketing tool without truly investing in the necessary changes.

o   Data Silos: Information about customer interactions is often siloed within departments, preventing a holistic view of the customer journey.

•   The Rise of "CX Fatigue":

o   Over-Personalization: While personalization can be valuable, excessive or creepy personalization can feel intrusive and off-putting.

o   "CX Fatigue": Customers are bombarded with surveys, feedback requests, and attempts to "improve their experience" at every turn, leading to burnout and resentment. In essence, while many companies say they prioritize CX, their actions often fall short. True customer-centricity requires a deep understanding of customer needs, a commitment to consistent and personalized experiences across all channels, and a genuine desire to build long-term relationships.

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In essence, while many companies say they prioritize CX, their actions often fall short. True customer-centricity requires a deep understanding of customer needs, a commitment to consistent and personalized experiences across all channels, and a genuine desire to build long-term relationships.
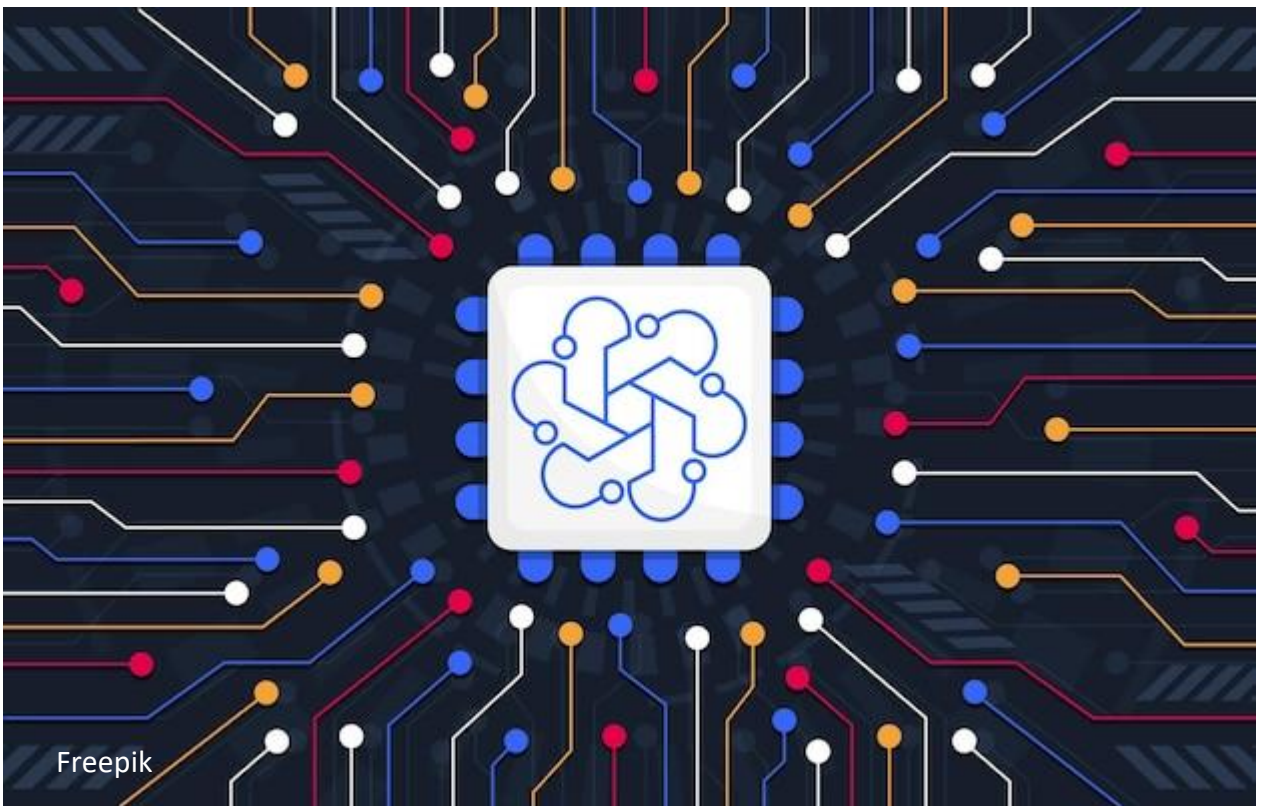
Freepik

So, What Are the Priorities to Address to Meet the Challenges of 2025?
According to Ritu Bhargava from the Future Of Commerce in her article
CX trends 2025: 7 ways brands can take their customer experience to the top

7 customer experience trends for 2025 and beyond: CX tactics to drive customer loyalty
Despite the vast amount of change in the ways we buy and sell, what customers want when they purchase from remains the same: a great customer experience (this applies to both B2B and B2C). If your brand can only offer what amounts to a subpar experience, your customers are likely to go elsewhere — and not quietly. They'll also warn family, friends, and social media followers not to buy from you. No brand can afford that – and the CX trends in 2025 reflect this reality. With CX on the decline, many brands are at risk. According to Forrester's US Customer Experience Index, CX quality reached an all-time low in 2024.Forrester cited several factors for the decline, including a lack of seamless experiences, disappointing digital CX with chatbots, and consumers worried about their finances and the economy.
How are brands honing in on these factors and upgrading their CX? And what are the top customer experience trends in 2025?

Here are seven customer experience trends we'll see well into 2025 and beyond:
1. *Customer loyalty and rewards programs*
2. *Hyper-personalization*
3. *Voice interaction*
4. *Virtual reality (VR) and augmented reality (AR) fusion*
5. *Omnichannel harmony*
6. *AI and machine learning-powered customer service*
7. *Proactive customer engagement*

*1. **Ramping up customer loyalty programs***
Winning and keeping customers is challenging, but loyalty and rewards programs provide an attractive incentive for customers to stay. These programs, which typically include assorted discounts, rebates, and other perks for returning customers, offer a delightful cocktail of community, ease, uniqueness, and value that make customers feel warm and fuzzy, ensuring they'll be back.
According to a PwC survey, 54% of chief marketing officers increased their budget for customer loyalty and retention this year. In 2025, expect more brands to focus on this customer experience trend in order to drive long-term growth. Customers who feel appreciated by a brand are more likely to recommend that brand on social media, subscribe to its newsletters, opt-in for promotions, and make repeat purchases. In a world where customers are inundated with buying options and can swiftly jump ship to another shop, this level of brand advocacy is worth more than gold.
By learning what's driving their customers' loyalty – what's fusing that deeper connection customers have with your brand – and mapping their journey, leaders can uncover a goldmine of potential growth in 2025.

2. Customer experience 2025: The era of hyper-personalization

Customers don't just want a tailor-made, personalized experience with your brand – they EXPECT it. Personalization has trended up to hyper-personalization— a "segment-of-one" approach allowing brands to target a single individual with key messages that are relevant to them. Unique customer data like psychographics or engagements allow brands to offer customers hyper-personalized "just-for-you" experiences. An overwhelming majority of consumers (71%) expect personalized experiences from brands and 76% are frustrated with a lack of personalization, a McKinsey & Company study found. Relevant experiences that offer customers something they really want generate sales and likely, unwavering customer loyalty. Sixty-one percent of CMOs view personalizing the customer experience as the top priority for activating loyalty, the PwC survey found. Keep in mind, though, that creating an app or hyper-personalized content is only half the task. It also needs to be intuitive to the user and easy to navigate in order to produce a positive customer experience.

3. Voice interaction emerges as a top CX trend in 2025

Voice technology is expected to grow to $50 billion by 2029, meaning voice commerce (using voice recognition technology to make online purchases) and virtual digital assistants like Apple's Siri and Amazon's Alexa are poised to play a more significant role in 2025 for customer experience. With 40% of U.S. internet users owning a voice assistant they use monthly, e-commerce brands will need to optimize their sites for voice commerce to stay ahead of the curve. Voice technology allows brands to offer their customers an exceptional experience at scale, but to get there, sophisticated applications need to be implemented so that robots can understand and interpret humans when they speak naturally. Developers are helping optimize this technology for more seamless voice interactions by combining natural language processing, conversational AI, machine learning, and natural language understanding. Automaker Mercedes-Benz. It uses Alexa to remotely unlock doors, start the engine, control pre-conditioning the temperature, and send a point of interest to your navigation system— all before you open the door. It can also locate the car when needed or access information like the amount of fuel left or the maintenance schedule.

4. VR and AR trend: Digital CX comes to life

The fusion of virtual and augmented reality (VR and AR) will continue to be a top customer experience trend in 2025, redefining CX by creating stunning, interactive immersive experiences that inform, delight, and convert customers. The number of consumers worldwide who use augmented reality (AR) frequently will grow to 4.3 billion by 2025, up from 1.5 billion in 2021, according to Statista. These experiences considerably enhance product storytelling, merging digital and physical worlds to highlight product use cases and value in a unique way. The release of Apple's Vision Pro device earlier this year is part of the AR-VR trend, which has spawned spatial commerce.

5. Perfecting omnichannel experiences for better CX in 2025

With the number of customer touchpoints constantly growing, an omnichannel strategy is no longer an option, but a requirement. Brands need a unified and consistent approach to managing their integrated channels and the customers who use them. Whether in-store, online, text messaging, using an app, or talking to a real, live agent on the phone, customers want to engage with a brand (and receive a response) via their communication channel of choice. Brands that invest in seamless, omnichannel experiences reap both top-line and bottom-line benefits, with satisfied customers 3.6x more likely to buy additional products and services, a Deloitte study found. Better CX reduces costs and helps brands focus on these customers with a 1.6x higher lifetime value. Although opportunities for omnichannel engagement are fairly untapped, we anticipate that changing in 2025– especially in terms of its capabilities when paired with AI. As an ally in your quest for effective omnichannel engagement, AI's power lies in its ability to consolidate and activate customer, sales and product data at scale. For brands willing to dig into their data and mine it for customer insights to improve their customer journey, the rewards could be well worth the time spent. That's because customers who engage in omnichannel shopping tend to spend more money than those who only shop through a single channel. They also tend to be more loyal than digital-only shoppers – hence the reason omnichannel experiences are a crucial CX trend in 2025.

6. CX 2025: Customer service improves thanks to AI and machine learning

At the heart of good customer experience is top-flight service that provides customers with fast responses and resolutions. Brands today are increasingly using AI chatbots to deliver that speedy service, a CX trend that will continue to grow in 2025. That's okay with consumers, as long as the AI really does the job. One survey found that most consumers (73.5%) are comfortable with brands using AI to speed service via their social channels. They weren't as enthusiastic about AI-generated content in general. With AI technology advancing rapidly, expect to see brands using more intelligent chatbots, predictive analytics, and automation to generate quick, accurate responses to customer inquiries. Also expect to see brands infuse the entire customer journey with AI. According to a Capgemini survey released late last year, nearly 60% of organizations are integrating generative AI into their marketing efforts.

7. Anticipating needs for better customer engagement

No longer willing to use the "wait and see" approach in assessing the needs of their customers, more proactive brands are now anticipating needs, deepening connections and optimizing customer journeys BEFORE they hear from the customers. A Gartner study found that only 13% of 6,000 customers reported experiencing any kind of proactive customer service. The study also found that proactive engagement boosts a brand's NPS and customer satisfaction score by a full point.

The Last Word

Wishing a happy and successful 2025 CX to well led organisations everywhere in the world. To those organisations perhaps not so well led perhaps it is the time to ask if the challenges of 2025 presents an opportunity to avoid the mediocrity of the morass of the muddling through organisations and decide that the upper echelons of CX delivery is an achievable aspiration for the mutual benefit of the organisation its customers and its people.

Consider also about what messages "***AI Opinion"*** of your organisation may be sending in your market.

Love it or hate it AI is driving change and while change has been a constant leadership challenge in the world of CX the new challenge is the speed of change with those first to market with effective customer led solutions most likely to benefit. Such change may not only involve technology but the adoption of some technology is likely to drive change in organisational strategies, structures, systems and staff'

The (in)famous epithet *"The definition of insanity is doing the same thing over and over again and expecting different results"*, often perhaps wrongly attributed to Einstein but more likely in literature published by Narcotics Anonymous, is perhaps both a warning and a wake-up call to those addicted to CX indifference.

In 2025 not getting left behind in CX may be just as important as staying in front.

Recommended Reading
https://www.cmswire.com/customer-experience/the-worst-cx-ever/
https://www.cxtoday.com/contact-centre/the-state-of-cx-in-the-utilities-landscape-in-202
Utility Industry: 5 Customer Experience Challenges
https://www.10xbanking.com/news/banking-customer-experience-trends
Is Customer Experience in Decline?
Has Great Customer Service Checked-Out Of Retail For Good?
Where is customer care in 2024? | McKinsey
https://www.mckinsey.com/capabilities/operations/our-insights/the-vision-for-2025-hyperpersonalized-care-and-care-of-one
Where is customer care in 2024? | McKinsey
https://www.cxnetwork.com/contact-center/news/uk-customer-service-departments-downsize
https://www.linkedin.com/pulse/decline-customer-service-why-companies-failing-what-vjojf/
https://www.cxnetwork.com/artificial-intelligence/articles/measuring-the-impact-of-ai-on-cx
https://www.forrester.com/blogs/predictions-2025-customer-experience-cx/
https://www.cmswire.com/customer-experience/consumer-trends-for-2025-insights-and-opportunities-across-industries/
https://www.the-future-of-commerce.com/2024/11/08/customer-experience-trends-2025-cx/