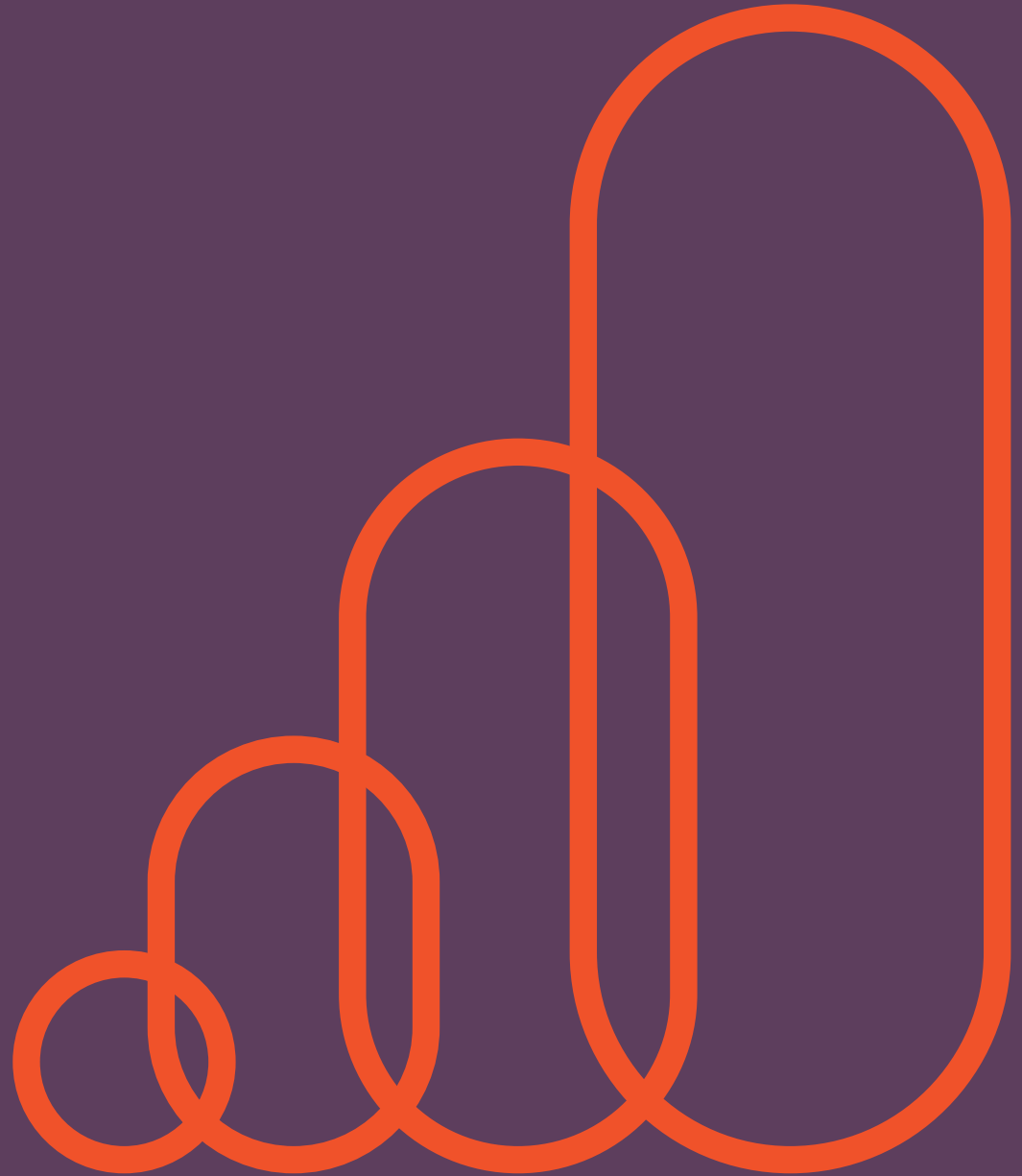


State of Customer Experience research



Genesys State of Customer Experience research

Contents

Chapter 1: Customer Experience: The good, the bad and the ugly 4

Industry experiences	5
What consumers value most	6
Initiate a mobile-first strategy	8
Make the wait worthwhile	9
Customers will pay more for a better experience	10
Genesys recommends: Know your customers	11

Chapter 2: Optimising business structures for customer experience ... 13

Should marketing own customer experience?	15
Customer experience management remains siloed	16
Customer experience tracking	18
Genesys recommends: Break down the business silos	19

Chapter 3: Understanding the customer journey 22

Personalisation versus privacy	24
Personalisation techniques	25
Personalisation leads to greater wallet share	26
Channel switching is the new reality	28
Genesys recommends: Offer a 360-degree customer experience	30

Chapter 4: Customer engagement channels 32

Uncomplicating customer engagement channels	32
Your customers are talking	33
Then and now	36
Channel satisfaction matters	37
Channel preferences change	39
Genesys recommends: Omnichannel engagement best practices	44

Chapter 5: Who's driving digital engagement? 46

Digital engagement: A key component of transformation	46
Following the generational shift	48
Regional variations	51
The rise of mobile messaging apps	53
Social media engagement and sharing	59
Genesys recommends: Where to start with digital engagement	65

Chapter 6: Next-generation automation: the future is now..... 67

Ready or not, here come the bots	69
The internet of things (IoT) transforms engagement	76
IoT and customer engagement	78
Genesys recommends: Where to start with automation	82

Chapter 7: A clear view of virtual reality and augmented reality 84

Virtual reality	84
Video engagement	85
Augmented and virtual reality customer experiences	86
Genesys recommends: Virtual reality is on the move	87

Chapter 8: Future-proof the customer experience with cloud 89

The benefits of cloud	89
Cloud in the contact centre	91
Not all clouds are created equal	93
To cloud or not to cloud?	94
Genesys recommends: Put cloud on your to-do list	95

About this research

The Genesys State of Customer Experience is an ongoing series of consumer and business findings related to customer experience. The first global survey, executed on behalf of Genesys by an independent research firm, includes **insights from 1,900 consumers and over 1,300 business users across North America, Europe, Latin America and Asia Pacific.** Business respondents included executive roles within IT, customer care and marketing.

The research reveals how consumers prefer to interact with a business, what they value most when engaging with a business, what personal information they are willing to share in exchange for a better experience and what businesses miss when it comes to delivering an exceptional experience across their customers' journeys.

The research also examines how businesses define the customer journey and organisational structures related to managing customer experience goals, how businesses gather and use customer data related to the experience, and what types of customer engagement channels and technologies are available today and will be used in the future.



The global leader

Genesys is the only global leader in customer experience solutions—both in the cloud and on-premise



Customer experience isn't easy: Let us help

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Choice rules customer experience

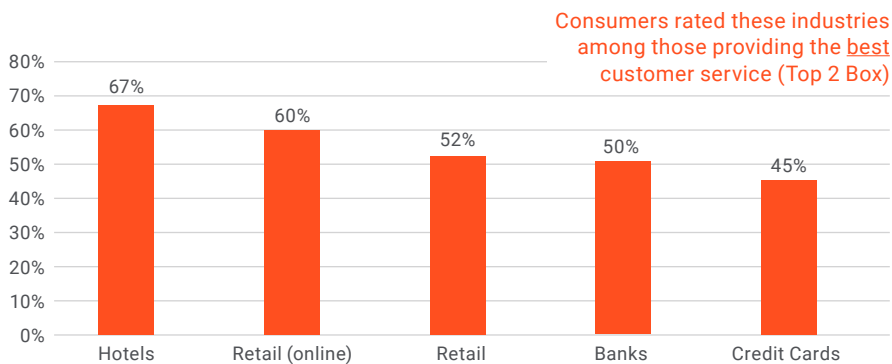
The importance of customer experience and the value a business places on that experience clearly depends on the industry. Some industries face fierce competitive pressures—where the customer experience literally can make or break a business. In other industries, such as government agencies, competition isn't a factor. For example, renewing your passport isn't always classified as a "great experience," but there's nowhere else to go. **When consumers have the option to choose, the customer experience is critical.**

Industry experiences

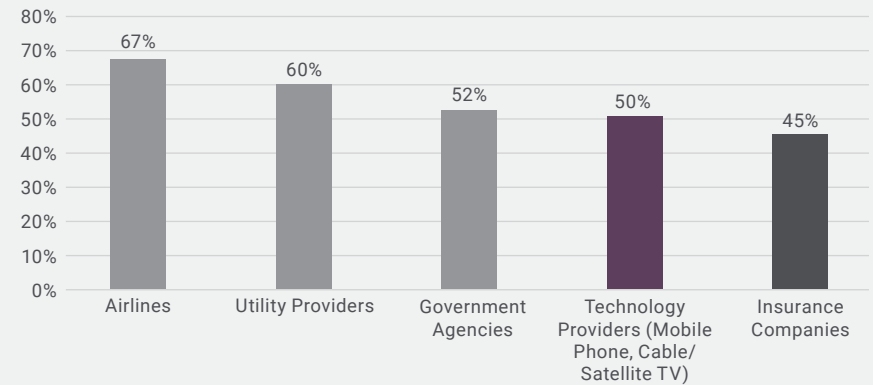
Don't become a viral customer experience statistic

We've all seen the recent customer experience horror stories in the news that have gone viral on social media. Customer experience nightmares for airlines and service providers have been a common theme over the last year. Thanks to social media and the proliferation of video-enabled mobile devices, these customer experience stories are instantly available for the world to see. Yet, most of these stories have one common theme: a breakdown in communications between people and processes. Managing all aspects of the customer experience, from initial engagement with a prospect through customer support and renewals— across the entire customer journey—is critical to remain competitive.

In the Genesys State of Customer Experience research, consumers report that airlines, government agencies and technology service providers offer the worst customer experiences. Yet, when those same businesses were asked about their own performance related to the customer service and support experience, they rated themselves higher than consumers did.



Customers rated these industries among those providing the worst customer service (Bottom 2 Box)



Yet the same industries saw themselves as meeting customer expectations well	Utilities, Public Sector, Education	Technology, IT	Banking, Insurance
Fast response	67%	67%	67%
First call/contact resolution	83%	39%	67%
Professionalism/friendliness	100%	83%	93%
Knowledge of account/history	100%	61%	80%
Knowledgeable representative/agent	100%	61%	67%
Reliable follow-through	83%	72%	60%
Trustworthiness of the representative	100%	83%	93%
Trustworthiness of the business	83%	89%	87%

Consumers report that government agencies, insurance companies and technology providers provide the worst customer service/support experiences. When asked about their own support, all of these industries rated themselves as performing much better, with public sector companies show the biggest disconnect in actual (as reported by consumers) vs. perceived performance in all measures. Hotels, online retail and banks received the best marks from consumers.

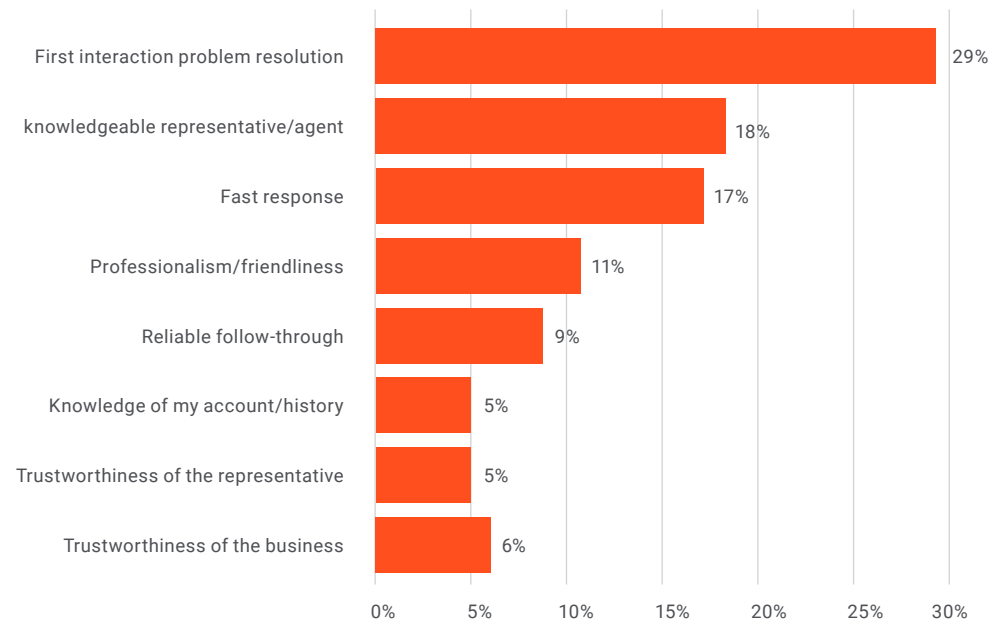
What consumers value most

Solve the problem the first time

Although brands are defined by the experiences they deliver, great customer experience stories are hard to find. Numerous studies demonstrate that a single bad experience can lead to a loss of revenue. But what do customers really want when it comes to the customer service and support experience? Twenty-nine percent of consumers ranked first contact resolution as what is most valued in a customer service and support interaction. No one has hours to spend solving a problem, tracking a product or fixing billing issues with a business. Consumers set aside time to engage with a business and they expect to have their issue resolved the first time they reach out to the business.

Consumers:

Which of these do you value most in a customer service interaction? (Ranked #1)



29% of consumers rated "First Call/Contact Resolution" as most valuable in a customer service/support interaction. Yet, only 13% of IT managers and 15% of Marketing managers ranked first contact resolution as most important in a customer service interaction.

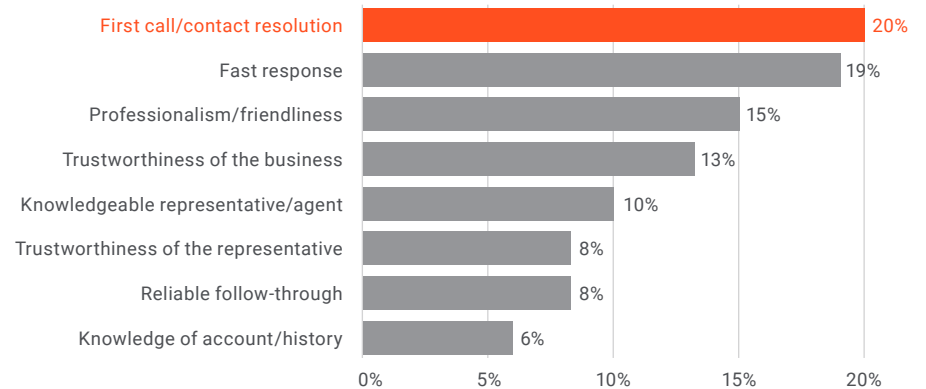
What consumers value most

However, business stakeholders often have different ideas of what customers value most in service and support interactions. Twenty percent of customer care executives agree with consumers and rank first contact resolution as the most valuable interaction. However, only 13 percent of IT executives and 15 percent of marketing executives surveyed ranked first contact resolution as most valued.

Most customer care executives are aligned with consumers rating "First Call/Contact Resolution" as most valuable in a customer service/support interaction. Yet, only 13% of IT executives and 15% of Marketing executives ranked first contact resolution as most important in a customer service interaction.

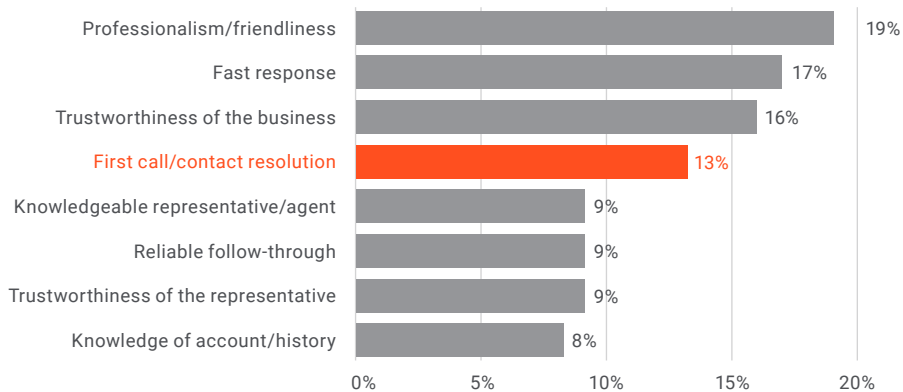
Customer Care:

Which of the following does your organisation value in a customer service interaction?



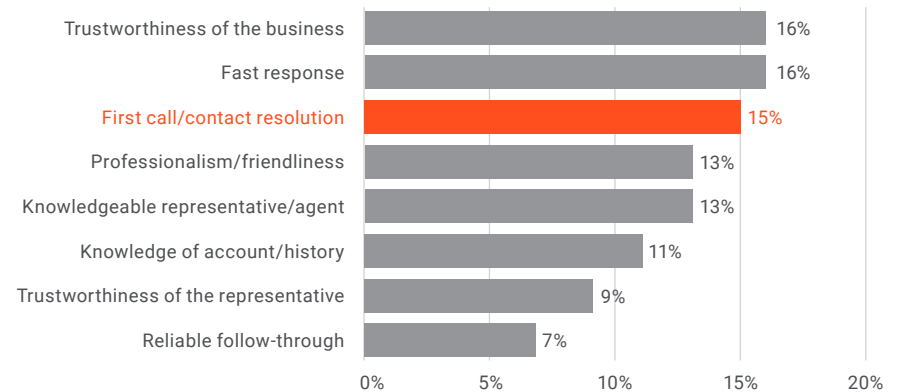
IT/Tech:

Which of the following does your organisation value in a customer service interaction?



Marketing:

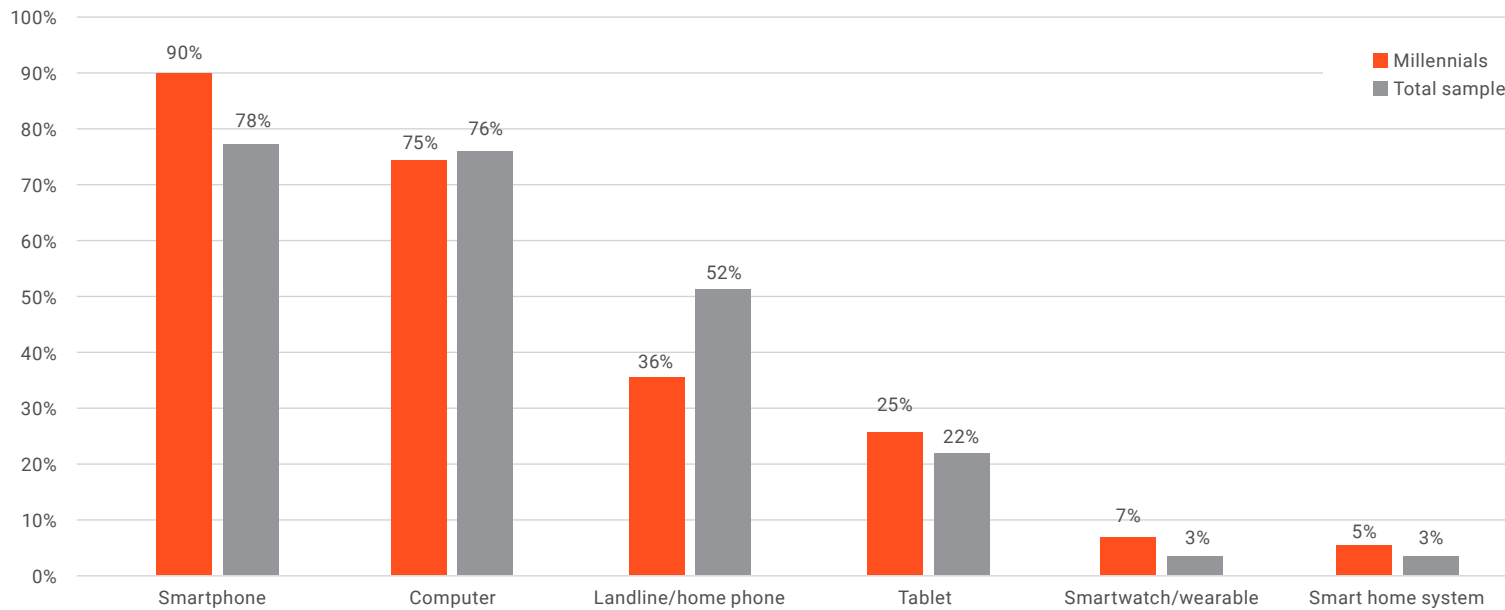
Which of the following does your organisation value in a customer service interaction?



Initiate a mobile-first strategy

Consumer:

Devices used for customer service/support interactions



Millennials prefer smartphones for customer service/support interactions, and consumers aged 55+ have a stronger preference for their landlines than other age groups.

Engage with customers on their terms

When interacting with a business for customer service and support, 78 percent of consumers surveyed use a mobile device. And that number jumps to 90 percent when working with millennials. The shift to mobile is clear: the global population uses mobile devices, computers and laptops almost equally to engage with a business. It's crucial to know your customer segments and demographics.

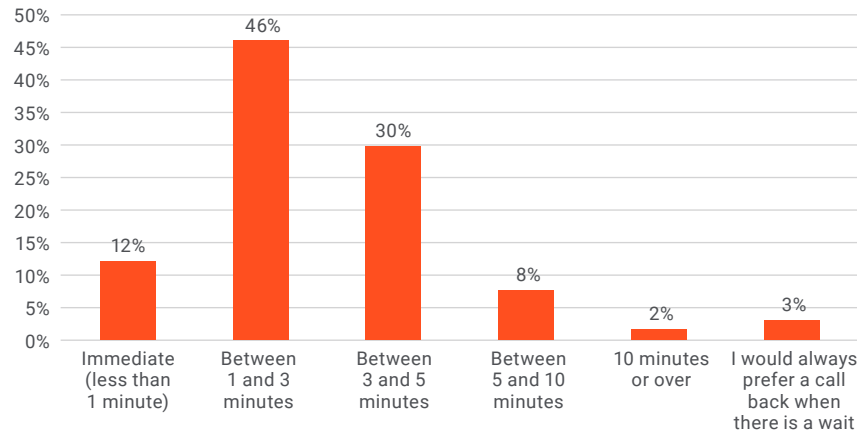
Make the wait worthwhile

Give customers a good reason to stay on the line

The majority of consumers prefer a **voice conversation** when interacting with a business for customer service and support. However, their tolerance for waiting for that interaction is limited. Twelve percent of consumers believe it's acceptable to wait up to one minute to speak with an agent; another 46 percent believe a one- to three-minute wait is acceptable. However, when asked if they would be willing to wait longer for a more knowledgeable representative, 30 percent of consumers noted they'd be willing to wait up to two minutes while another 45 percent would wait between three to five minutes.

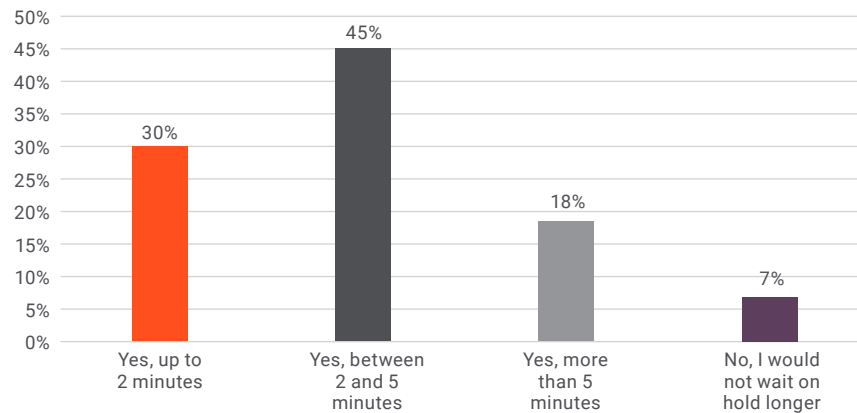
That's very telling. Tolerance is generally low when it comes to waiting, but reassuring customers that they're waiting to speak with the *right* representative gives them the incentive to stay on the line slightly longer. The bottom line: Your customer experience reputation and brand are at stake when you make your customers wait for assistance, regardless of the channel. This is driving growth in service channels that offer more immediate response, like social and self-service.

Consumers:
Acceptable length of time to wait for a representative



Overall, nearly half of consumers are willing to wait between 1 and 3 minutes on hold for customer service, and another third are willing to wait between 3 and 5 minutes. Only slightly more than 10% are willing to wait over 5 minutes. Still, 45% of consumers globally indicated they were willing to wait between 2 and 5 minutes longer for a knowledgeable customer service/support representative.

Consumers:
Would you be willing to wait on hold for longer to speak to a more knowledgeable representative?



Customers will pay more for a better experience

Add value to your customer experience

Many consumers are willing to pay more for an improved experience. Just look at the success of Apple. Customers pay a premium for Apple products and services, but they're really paying for an experience. Apple gives customers seamless access to their products, services and support experts—in store, online and through their service and support centre. But many businesses do not capitalise on the value of the experience.

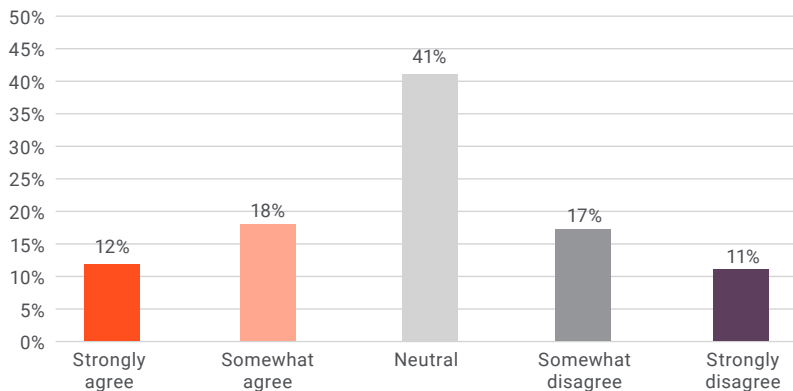
In fact, our research shows a disconnect between marketing and customer care when it comes to the value of customers paying more for a higher level of service.

The Genesys State of Customer Experience research reveals that one in three consumers is willing to pay more to receive a higher level of service. Yet, marketing and customer care executives disagree on the value this provides to their companies.

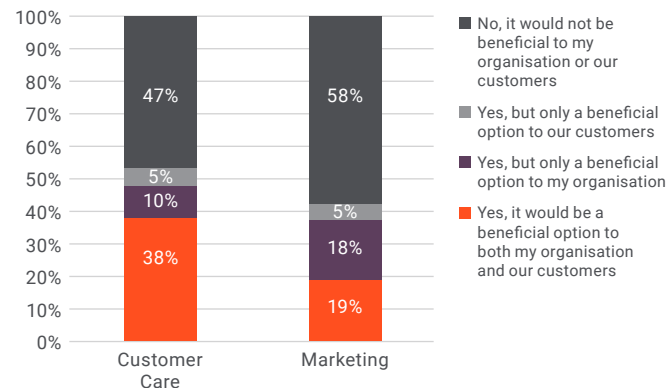
Only 19 percent of marketing respondents believe this would be beneficial, while 38 percent of customer care executives believe this would offer good value to both customers and their businesses.

Consumers:

I would be willing to pay a fee to receive a higher level of customer service.



Do you think allowing customers to pay a fee for a higher level of service is a beneficial option for your organisation and/or your customers?



Nearly one in three consumers would pay a fee to receive a higher level of customer service. Those in Customer Care are twice as likely than Marketing to believe that allowing customers to pay for higher service is mutually beneficial.

Know your customers

Segmentation strategies to get you started

To truly affect the customer experience, you need to understand your customers' needs and expectations clearly. Your business has to be aligned on a **unified understanding** of what customers **value most**. That understanding must span all internal groups and teams that influence or touch any part of the customer experience.

It's equally important to obtain a clear picture of **how** customers want to **engage and interact** with your business. Ongoing customer segmentation activities are crucial, as is understanding the lifetime value of each customer and segment.

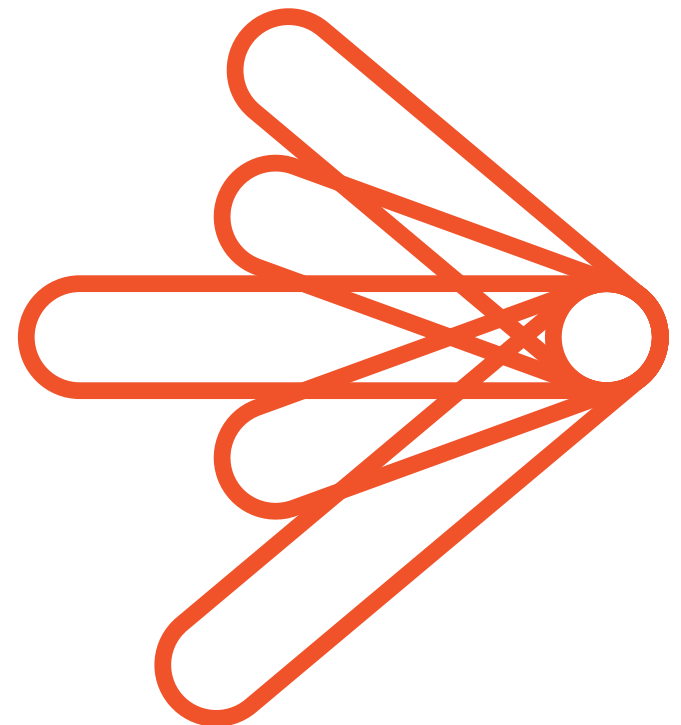
Ask yourself these questions:

- Do I have a unified understanding of what my customers value most?
- Which customer segments offer the most value today versus the long term?
- Are my customer demographics evolving? How and when will customer segments shift? And how will those shifts affect my business?
- Do I know how each of our customer segments interact with us for service and support? Is that preference changing based on demographics?

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Who owns the customer experience?

Customer service and support organisations traditionally have owned customer experience. After all, they interact with customers most frequently.

Optimising business structures for customer experience

But when you look at the customer experience across a business, many functional teams have a significant impact on the customer experience:

- Marketing is usually one of the first customer touchpoints, as they're responsible for customer lead acquisition and overall brand perception.
- Sales and business development teams or partners are involved with selling the product or service, depending on the business.
- The product or service delivery teams interact with customers when the product doesn't work properly, or the service delivery is poor. And this directly affects the customer experience.
- Back-office teams, such as order management and billing departments, often engage directly with customers to answer questions, accept payments or handle collection-related activities.
- The IT department maintains technology across these functional groups, all to make the customer experience seamless.

These silos highlight another common problem: There are no clear lines distinguishing roles and responsibilities for customer experience. With so many different teams—all working to improve the customer experience—it's no wonder that businesses struggle to offer a consistent experience.



Should marketing own the customer experience?



Sorting out the role of marketing

It's becoming increasingly important to bring together functional teams to provide a seamless experience. This is especially true with the CIO and CMO, whose collaboration is becoming more critical to customer experience.

Traditionally, CIOs have been responsible for evaluating and implementing enterprise technology solutions, with a focus on risk management and security. Now, CMOs have a strategic interest in selecting and investing in the best tools and technologies to support their marketing initiatives. This can contribute to siloed technology.

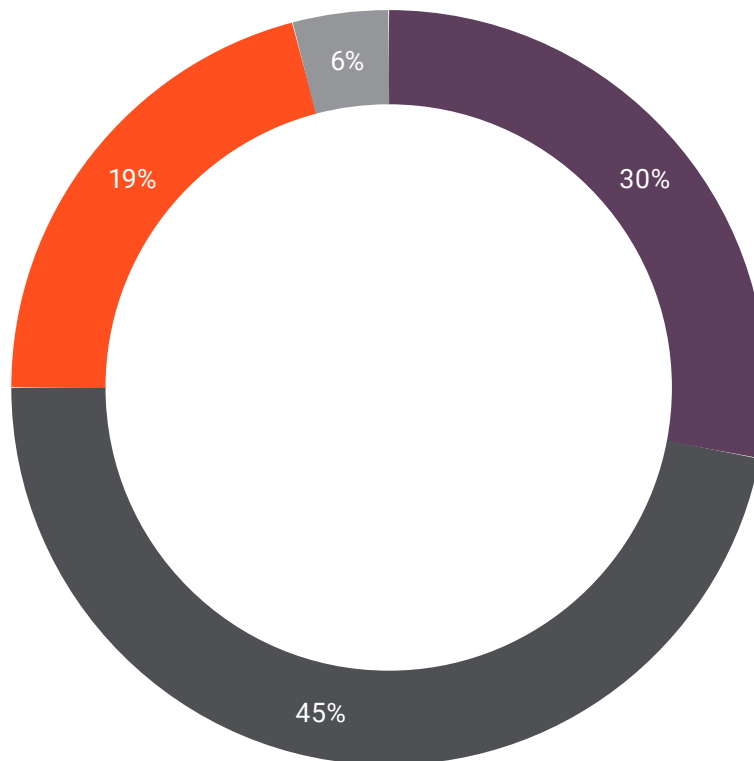
Does that mean marketing departments should manage the overall customer experience?

For most businesses, this isn't the best solution either. Appointing marketing as the primary owner of customer experience has disadvantages. Creating a better buying experience related solely to customer acquisition doesn't represent the full customer journey, which is shared by sales, customer service and other groups. Marketing has a seat at the customer experience table, but consider the implications when marketing is the owner of customer experience.

Customer experience management remains siloed

Does your company have an initiative to track and improve the customer experience? (Global)

- Yes, led by Marketing
- Yes, led by Customer Service
- Yes, led by a Customer Experience Officer/Team
- No



Unite disparate teams to thrive

The Genesys State of Customer Experience research shows:

- Forty-five percent of businesses manage the customer experience through their customer care organisation, while 30 percent have marketing manage customer experience.
- Only 19 percent of businesses surveyed report that they have a dedicated customer experience team to manage the experience.

Customer experience tracking is pervasive, according to executive respondents. Most often, customer care handles tracking in industries other than healthcare and banking, where marketing leads these efforts.

Customer experience management remains siloed: 45% of businesses manage CX through their customer care organisation, while 30% say CX is managed by Marketing and 19% say CX is managed by a dedicated Customer Experience team.

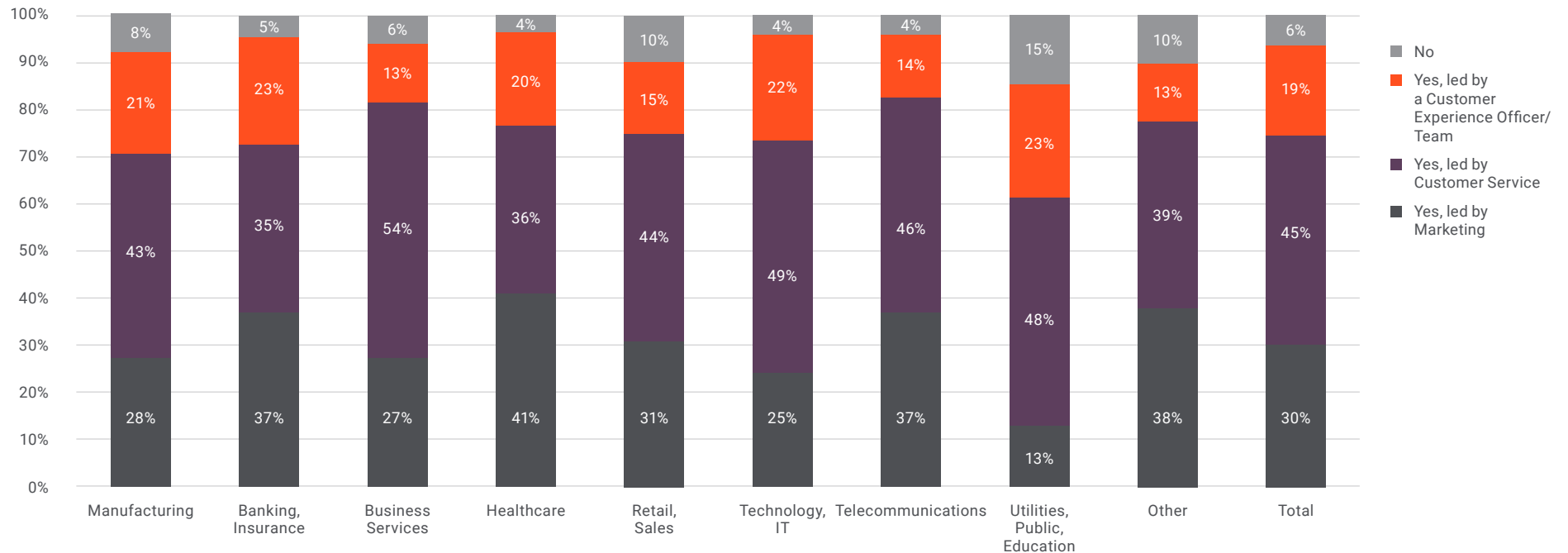
Customer experience management remains siloed

Managing the customer experience cannot be done in silos. It takes collaboration and coordination across multiple organisations.

More and more businesses recognise the value of having a dedicated, executive team that owns and manages the overarching customer experience. This is where the **Chief Experience Officer (CXO)** comes into play. In this role, the CXO acts as the bridge—uniting disparate teams and systems.

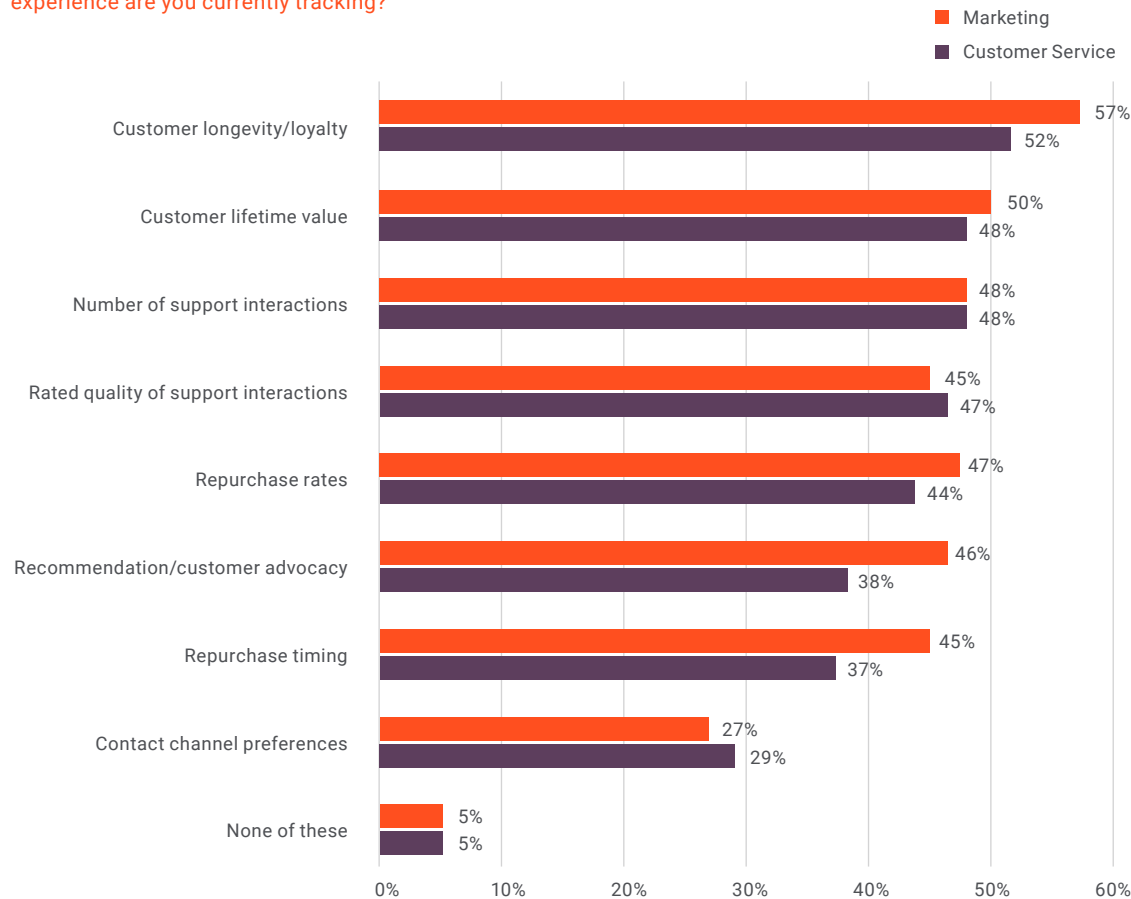
Does your company have an initiative to track and improve the customer experience? (Global)

Responding business managers indicated CX tracking is pervasive, and most often led by customer care in most industries, with the exceptions of healthcare and banking where CX tracking is more often led by marketing.



Customer experience tracking

Which of the following components of the customer experience are you currently tracking?



Customer longevity/loyalty and customer lifetime value are most frequently tracked as components of the CX tracking effort; marketing is more likely to report repurchase timing than customer care managers, and surprisingly less than 30% of companies overall track channel preference.

Finding value in the data

When it comes to managing the customer experience, one of the most critical elements is having access to the right data. The ability to track and report on customer status, loyalty, customer lifetime value, advocacy and more can deliver crucial insights to an organisation. And mining this data often means you must bring together the siloed data sources and teams for a **single source of customer truth** across an organisation.

In this research, we asked executives from marketing and customer care which types of customer data they track. Genesys research shows that customer longevity and loyalty, as well as customer lifetime value, are most frequently tracked as components of the customer experience. Marketing is more likely to track repurchase timing; however, less than 30 percent of companies overall track **engagement channel preference**.

Break down the business silos

Four best practices for managing customer experience

When functional teams manage customer experience, it creates silos and a disconnected experience for customers. But you can't manage customer experience in a vacuum. Below are four best practices to better manage customer experience:



Start at the top: For a successful customer experience, there must be an executive who owns it. You also need a clear customer experience strategy that includes specific objectives and targets that a single executive owner is accountable for achieving. Build customer experience into the fabric of your company and mission statement, and ensure that every level of the executive team echoes and supports that message.



Align people and processes: To be truly successful at customer experience, ensure that your people and processes, across all groups, work seamlessly. Align performance metrics to the customer experience and create measurements that deliver the most value over the customer lifecycle. Groups must collaborate, share feedback and ideas across your organisation. For example, create a customer experience board that includes stakeholders from marketing, IT, customer service and support, with the highest authority and responsibility for affecting change.



Know your customers: Just like your customers, your company needs a single source of truth for customer data. Know your customer segments and the demographics that drive each segment. Walk in your customers' shoes and understand their journeys from beginning to end. New customer acquisition is essential, but you still must understand every aspect of existing and prospective customers' journeys with your company.



Use the technology to bring it all together: It's becoming increasingly important to use technology intelligently. Both technology and customer preferences change so quickly, which often creates pockets of technology. These siloed innovations solve an immediate problem, but they often create a much larger problem down the road. When considering customer experience technology, keep the big picture in mind. Customer experience technology and customer data are useless if no one brings them all together and makes them meaningful to your business.

Getting customer experience right isn't easy. It takes time, persistence and the ability to continually adapt to changing customer segments.

Chief Customer Officer at Genesys



Dave Sudbey

At Genesys, customer experience isn't just a buzzword or a technology trend. It's a practice and a discipline. Customer experience is driven from the belief that we put our customer at the centre of everything we do. It's part of our mission and shapes the way we operate—from hiring customer-centric talent to listening to customer feedback to continuously improving and innovating our products and platforms.

The Global NPS and Customer Experience Design team works in cooperation with other departments across the organisation to effectively synthesise voice of the customer (VoC) data. They gather an objective and holistic view of our global customer base. What is data if we cannot make it meaningful? More importantly, what good is the data if we don't take any actions?

This team, under the purview of the Chief Customer Officer, analyses data and designs effective actions, both tactical and strategic, by bringing the right people together across

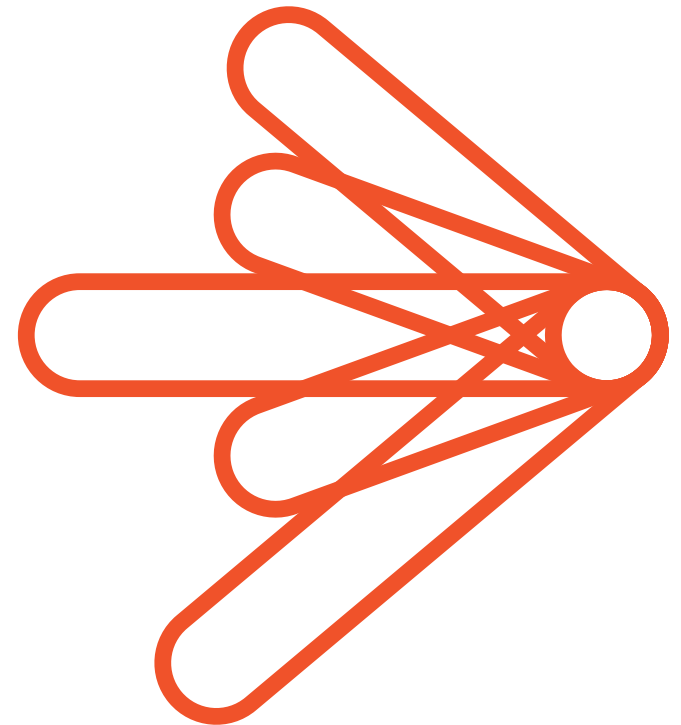
Genesys to serve our customers. As part of creating meaning, the team has developed the Net Promoter System, which was established and recognised as a Genesys corporate metric, and the Genesys CX Framework. The team uses this set of data, as well as data from other sources—such as customer interviews, product and customer advisory boards—to become advisors and subject matter experts on our customers. This guides discussions and design strategy among our teams.

As Chief Customer Officer, David Sudbey brings not only an objective view but also the voice of the customer to the board room. With more than 20 years in the industry, he has been an executive leader in various areas, including sales, professional services, customer care and education. As Chief Customer Officer, his depth of knowledge of the business and the customer enables him to bridge silos and help shape the Genesys corporate vision and mission.

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Connect and personalise from beginning to end

Customer experience currently is the most powerful differentiator in business. If a business is not delivering the experience that customers expect, they will find someone else who will. As **Chapter 1: Customer experience: The good, the bad and the ugly**, showed, customers place great value on first contact resolution. For businesses, this means solving a customer's problem the first time they connect with you. However, this is just one element in the overall customer experience.

Chapter 3: Understanding the customer journey



A big part of managing the customer experience is understanding and orchestrating the entire customer journey. Genesys defines customer journey orchestration as the ability to connect and personalise a customer journey across all channels and touchpoints—from beginning to end. The journey doesn't stop when the interaction with the customer ends.

True omnichannel journeys let customers start, pause and resume their journeys because the business is prepared to provide that personalised, contextual experience. When you can retain a customer, their journey with you never ends.

Personalisation versus privacy

Use data to guide your decisions

Personalisation and privacy play significant roles in delivering a consistent omnichannel journey. With access to the right customer information and preferences, you can customise each customer journey across various points in time. Providing customers with a seamless journey often means anticipating their needs and using analytics to make informed decisions and guide the next action. This is what often is called a “journey nudge.”

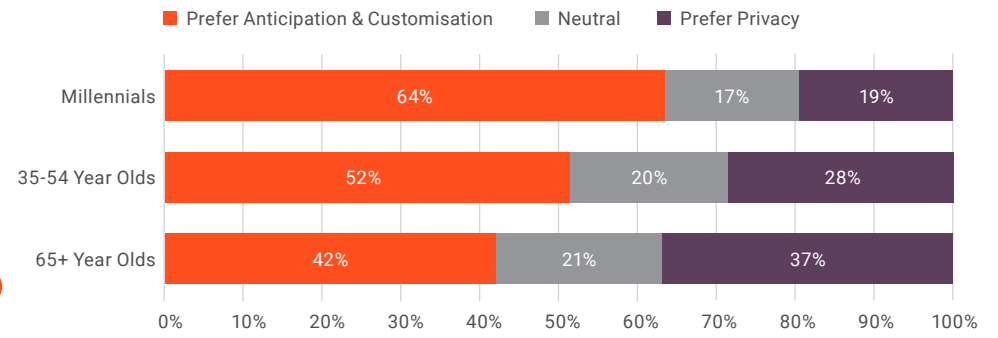
The Genesys State of Customer Experience research shows:

- Sixty-four percent of millennials value anticipation and customisation of the experience using their transaction data over privacy concerns.
- Forty-six percent value personalisation using preferences and contact info over privacy concerns.
- Forty-five percent of Baby Boomers (age 55 and over) value privacy over personalisation.

64% of Millennials value anticipation and customisation of their experience using transaction data over privacy concerns.

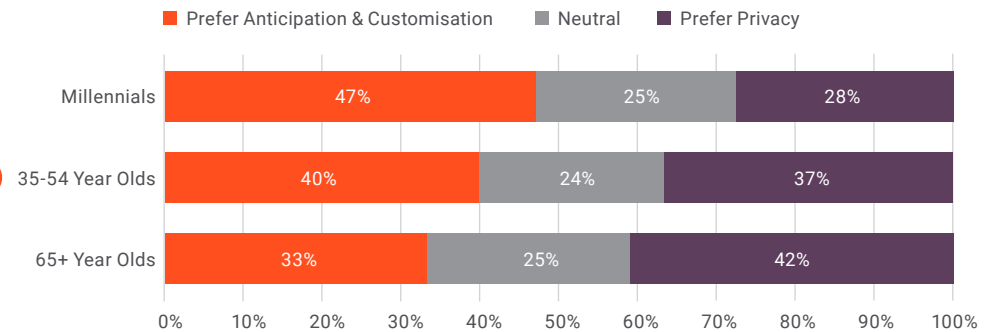
47% of Millennials also value an experience personalised through the use of their preferences and contact information over privacy.

Anticipation & Customisation v. Privacy



Consumers were asked whether they appreciate when a business keeps track of their purchases in order to anticipate needs and provide a customised experience, or if they value their privacy more.

Personalisation v. Privacy



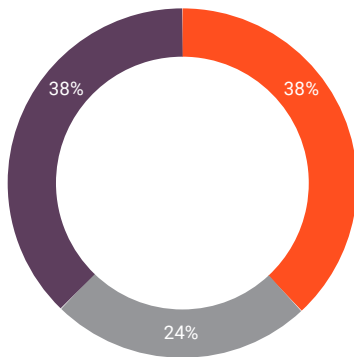
Consumers were asked whether they prefer a customer service agent to have access to their personal preferences & contact information for a more personalised experience, or if they value their privacy more.

Location data and credit cards

PRIVACY PREFERENCES – LOCATION DATA

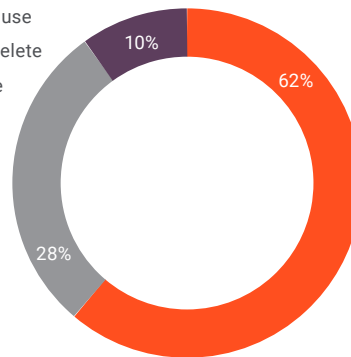
Consumers: Do you prefer a business know your location in order to provide you a more personalised experience?

- Prefer
- Neutral
- Do not prefer



Businesses: How does your organisation manage private consumer information including location data?

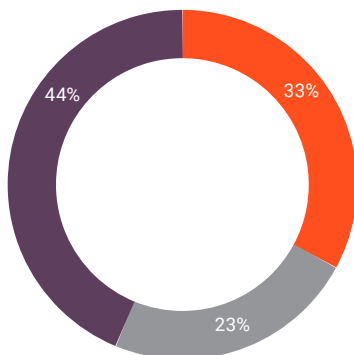
- Store for future use
- Automatically delete
- Neither of these



PRIVACY PREFERENCES – CREDIT CARDS

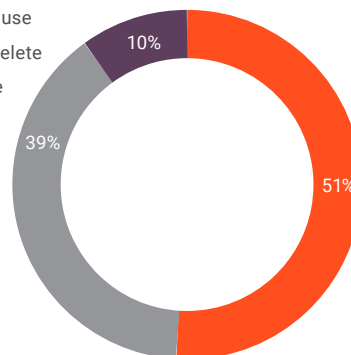
Consumers: Do you prefer a business to store your credit card/banking information for your convenience in future transactions?

- Prefer
- Neutral
- Do not prefer



Businesses: How does your organisation manage private consumer information including credit cards and financial data?

- Store for future use
- Automatically delete
- Neither of these



When it comes to location and credit card data:

- Thirty-eight percent of consumers are comfortable with giving a business access to their location to receive a more personalised experience, yet 62 percent of businesses are storing this information for future use.
- Thirty-four percent of consumers are comfortable with a business storing their credit card information for future convenience, yet 51 percent of businesses store this information for future use.

The trends are clear: millennials view providing access to their personal data as just a way of doing business. They see the value in allowing a business to have access to their private information—not just preferences and transaction data. Additionally, millennials are less concerned with businesses storing their location data and credit card data. Boomers, on the other hand, hold onto their data tightly. For businesses, this means educating customers on the value of personalisation to help them overcome concerns and reap the benefits.

Personalisation leads to greater wallet share

Personalisation takes a personal touch

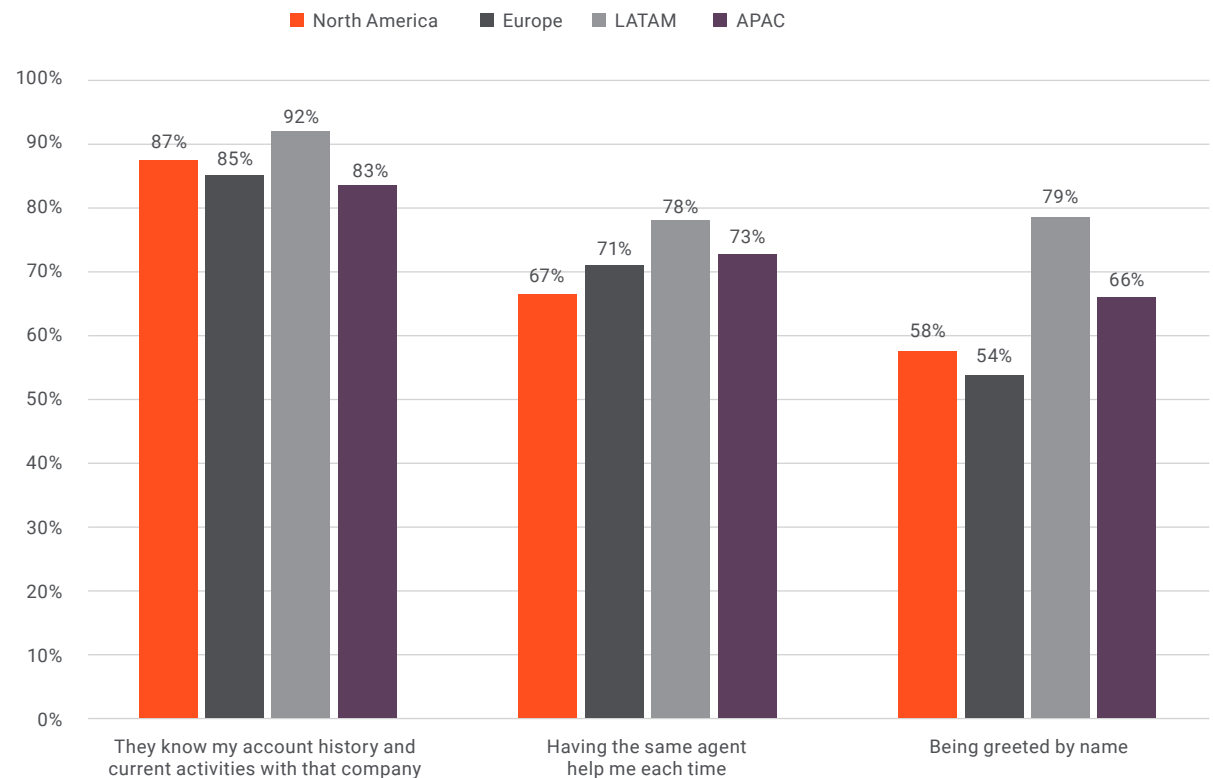
The Genesys State of Customer Experience research shows that overall:

- Nine out of 10 consumers value when a business knows their account history and current activities with that company, and seven out of 10 value having the same representative or agent help them each time they interact with the company.

When it comes to ongoing interaction with a business for customer service and support, consumers across different regions value different personalisation techniques.

Overall, respondents in Latin America value personalisation very much, with 79 percent finding it important to be greeted by name. Alternatively, only 54 percent of European respondents found value in being greeted by name.

Consumers: Thinking specifically of those businesses/service providers with whom you do repeat business, how valuable are the following attributes to you in an interaction with customer service or support? (Rated Valuable or Extremely Valuable)



Nearly 9 of 10 consumers value their customer service agent knowing their account history and current activities, and 7 in 10 value having the same customer service agent help them each time. Personalisation options were valued highest in LATAM and lowest in North America.

Personalisation leads to greater wallet share

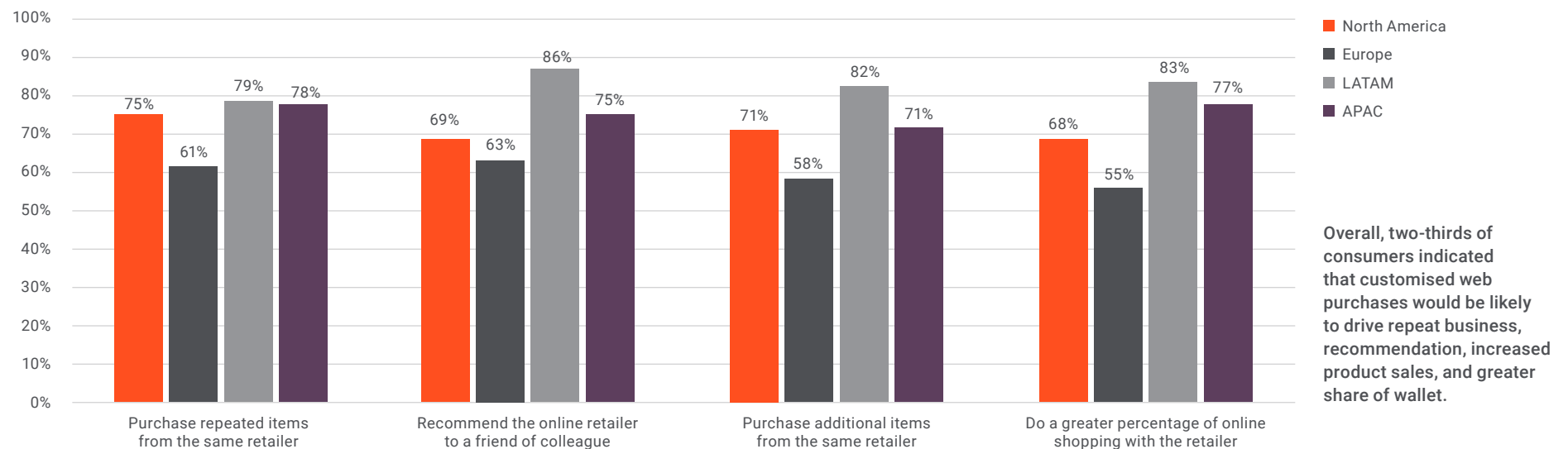
The shift from storefront to web front, as well as striking the right balance, has been a critical topic for retailers in recent years; focus has been on declining in-store sales due, in part, to web-based shopping. Many retailers now offer customers a completely personalised and customised web experience. And it pays off with repeat business and customer advocacy.

Overall, two out of three consumers indicated that customised and personalised web purchase experiences likely would drive repeat business, recommendation, increased sales and greater share of wallet.

Personalising the customer experience offers business value when it comes to better managing the overall customer journey. Privacy concerns are still a factor and, for some industries such as healthcare, privacy is absolutely critical. But we can see the demographic shift in consumer preferences, where personalisation is valued over privacy concerns. It's important not only to have an extensive picture of customer segments and, in particular, customer demographics, but also to use that information.

As demographics and preferences continue to shift, you can adjust and differentiate your business by orchestrating journeys that positively affect the overall customer experience.

Consumers: If you were assured customised/personalised web purchase experience, how likely would you be to: do the following? (Rated Very or Somewhat Likely)



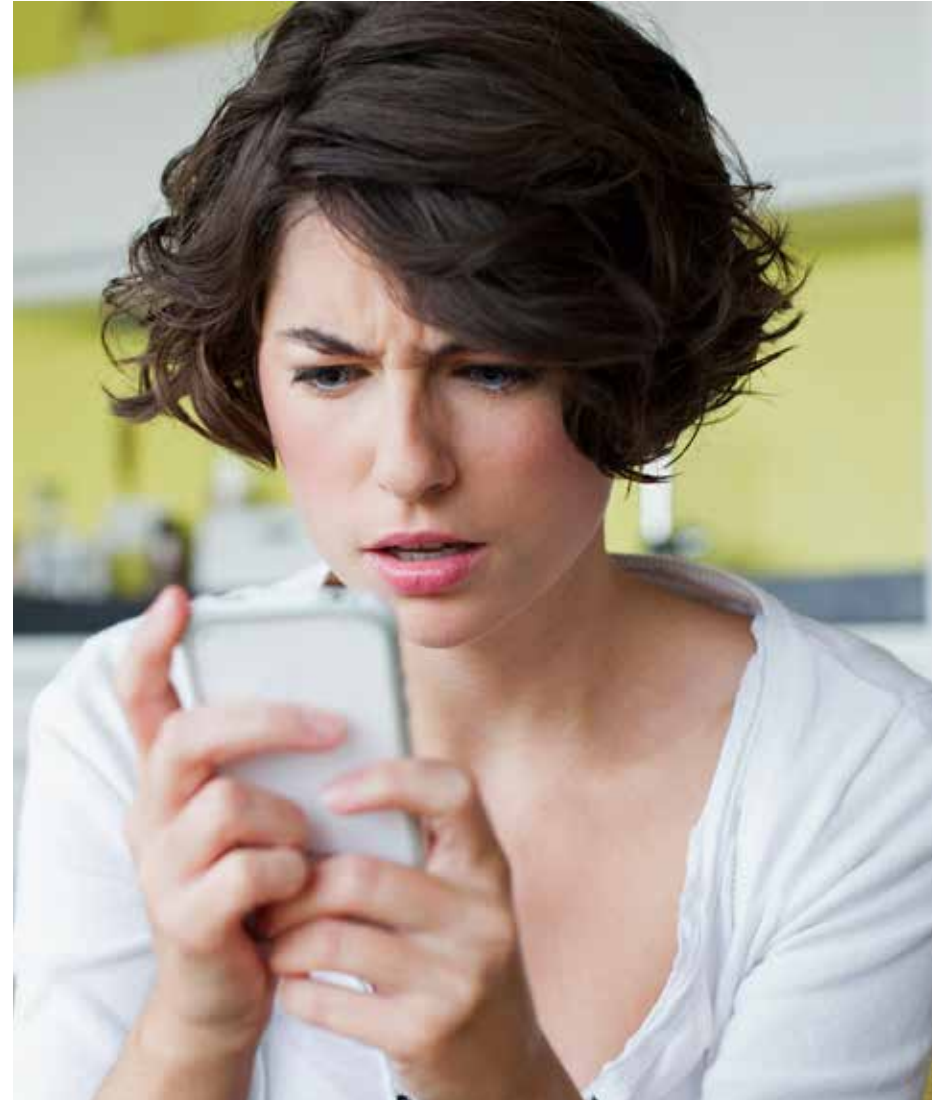
Channel switching is the new reality

Timing is everything with channels

The ways in which consumers engage with you have shifted significantly. With the rise of so many new channels, consumers will use the channel that best suits them at that moment in time. Let's look at an example.

Jenny is a young working mother who only has time during her work break to connect with a business on an important matter. Because she's at work and has limited time, she sends an email. But she receives no reply during the remainder of the day. Later that evening, she decides to connect with the business using web chat while she's making dinner and juggling homework with the kids. But the agent she's speaking with has no knowledge of the email she sent earlier in the day, so she's forced to repeat herself. This leads to frustration and a request to speak with the agent on the phone. Instead of moving the conversation to a phone call, the agent explains that another department handles phone service and provides her with a number to call. At this point, Jenny throws her hands up in the air and says, "Enough is enough!" She walks away.

Jenny's frustrating experience may have dealt her relationship with that business a fatal blow.



Cross-channel experiences

A critical part of the new customer journey

The Genesys State of Customer Experience research shows:

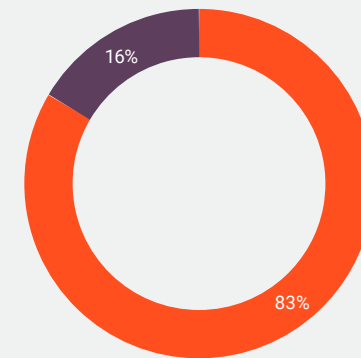
- Eighty-three percent of consumers say the ability to move from one assisted channel to another, such as moving from web chat to a live conversation, is desirable, but only 50 percent of businesses support such cross-channel interactions.

There are ramifications when your business does not support a seamless customer journey. Channel switching is the new normal when it comes to how consumers engage with a business. And there is a **cost** for businesses that don't support channel switching.

83% of consumers say the ability to move from one assisted channel to another (i.e. web chat to a live conversation) is desirable, but only 50% of businesses are supporting cross-channel interaction.

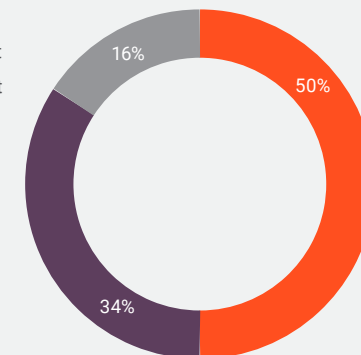
Consumers: How desirable is it to be able to begin a customer service/support interaction in one way (via phone, chat, messaging, etc.) and seamlessly complete it using a different method?

■ Desirable
■ Not desirable



IT/Tech: Do you support cross-channel customer interactions between live agent options (i.e. web chat to phone)?

■ Currently support
■ Planning to support
■ No plans to support



Offer a 360-degree customer experience

Best practices for managing customer journeys



1. Know your customer: To truly affect the customer experience, you need to understand your customers' needs and expectations clearly. Know your customer segments and the demographics that drive each segment.



2. Use journey mapping: Take the time to create a visual design of every customer touchpoint and interaction with your business. Start at the beginning—how the customer is acquired—and create a map of each step that the customer takes to acquire, learn, use and support your product or service. Include renewals or cross-sell and upsell points within the journey map. View your processes from the customer point of view.

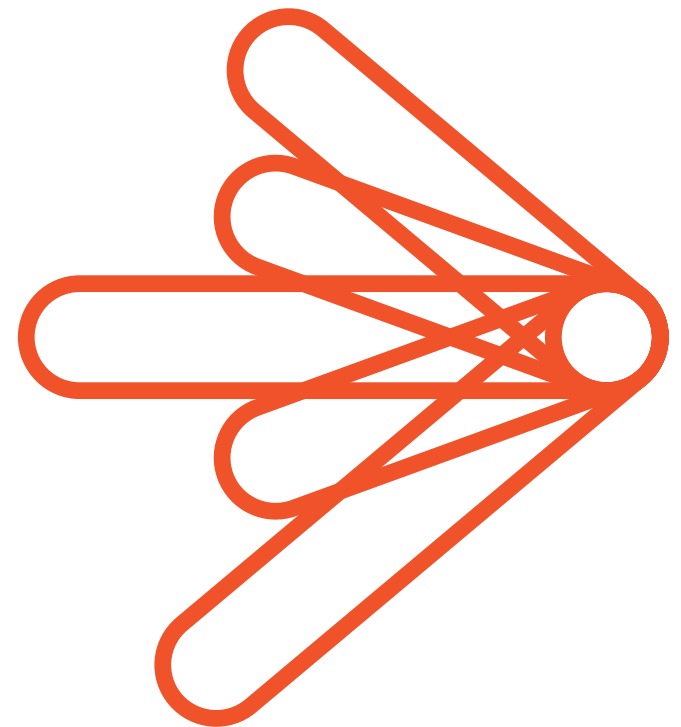


3. Use the right technology: Be certain that you have the right technology to bring all pieces of a successful customer experience together. Build engagement channels on a single system that shares interaction data and insights, and includes access to customer relationship data. Ensure that all employees have access to customer feedback, complaints, relationships and engagement data. Journey analytics and predictive matching can help you obtain greater visibility of intent, engagement, profiles and next best actions across actual customer journeys. The right technology can help you deliver personalised and proactive engagement based on customer context across the customer journey.

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Get started with a free, no obligation, onsite customer experience assessment workshop, which reveals what's possible in a Genesys-enabled world. Our consultants map those possibilities to your specific business and customer experience objectives, and identify what you need to do to reach those goals. The outcome will be a strategy that propels your current and future customer experience success.



Uncomplicating customer engagement channels: Consumer preferences drive omnichannel engagement

Engaging customers and winning their loyalty can be hard work. If you can't solve their problems the first time, you risk losing their loyalty. If customers need to talk to multiple people or switch channels to get their problems solved, or if they don't receive service on their preferred channels, they become less loyal. And, increasingly, if you can't anticipate their next problem, they offer less future value to your business.

The rise in multichannel touchpoints has greatly complicated the end-to-end customer journey, especially with the increased use of mobile devices. Yet, customers expect consistent and personalised experiences—no matter which channel they use.

Your customers are talking

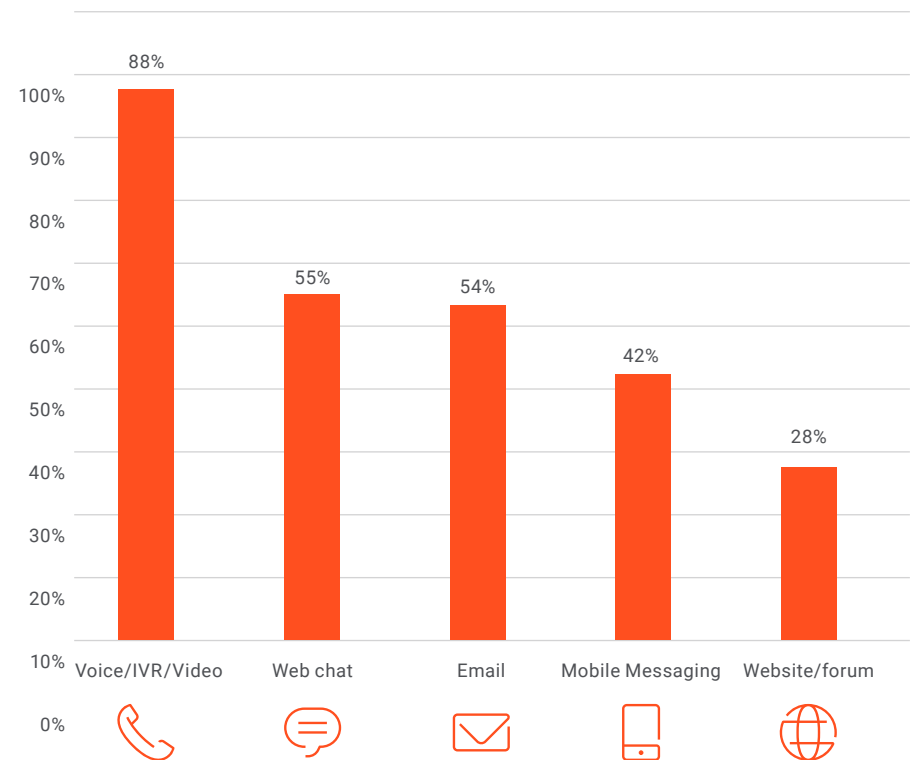
Listening to customer preferences

This rise in multichannel touchpoints does not mean that voice is going away. In fact, voice is still the preferred customer channel in most cases. However, the dynamics and use of voice are changing. The voice channel is more often becoming the escalation channel—where focus can be given on more complex interactions.

The Genesys State of Customer Experience research shows:

- Consumer use: Voice interactions with a live agent is the primary channel consumers use.
- Consumer preference: Voice remains the preferred interaction channel, but drops slightly to 83 percent while mobile messaging jumps to 53 percent use.
- Use versus preference: There's a clear shift to using mobile message as a preferred channel.

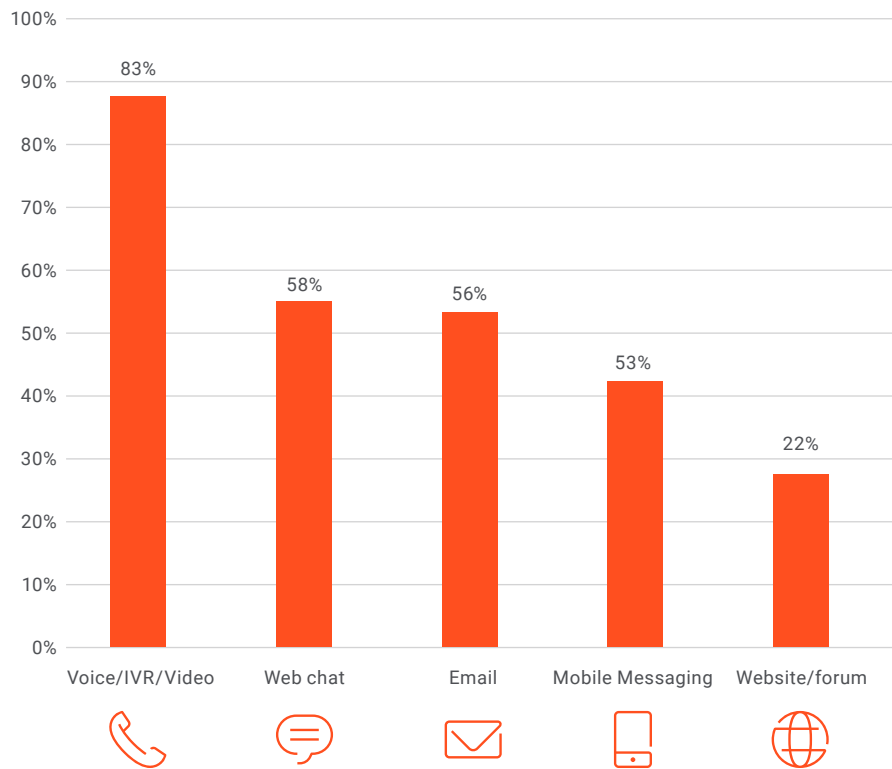
Customer Service/Support Channels Used (Consumers N=1893)



Consumers indicated they most frequently use voice/IVR Video, followed by web chat and email, while 4 in 10 indicated using at least one mobile message channel for their customer service/support interactions in the past 12 months.

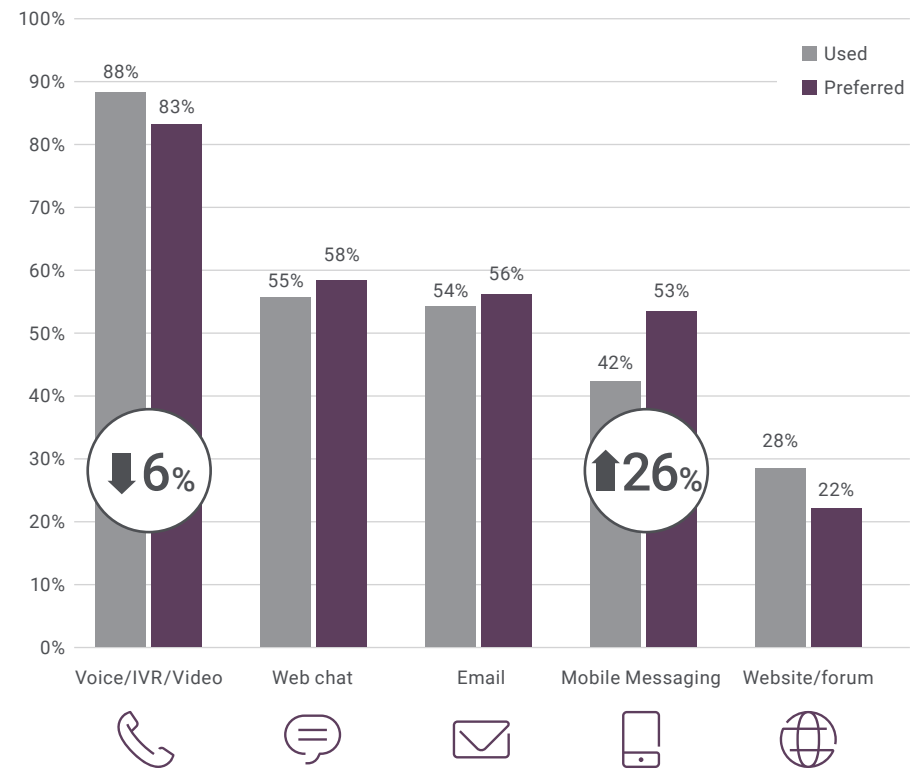
Your customers are talking

Customer Service/Support Channels Preferred (Consumers—Global Sample)



Although globally, preference for live agent via phone remains high, mobile messaging preference for customer service/support interactions near that of web chat and email at 53%.

Customer Service/Support Channels Used and Preferred (Consumers)

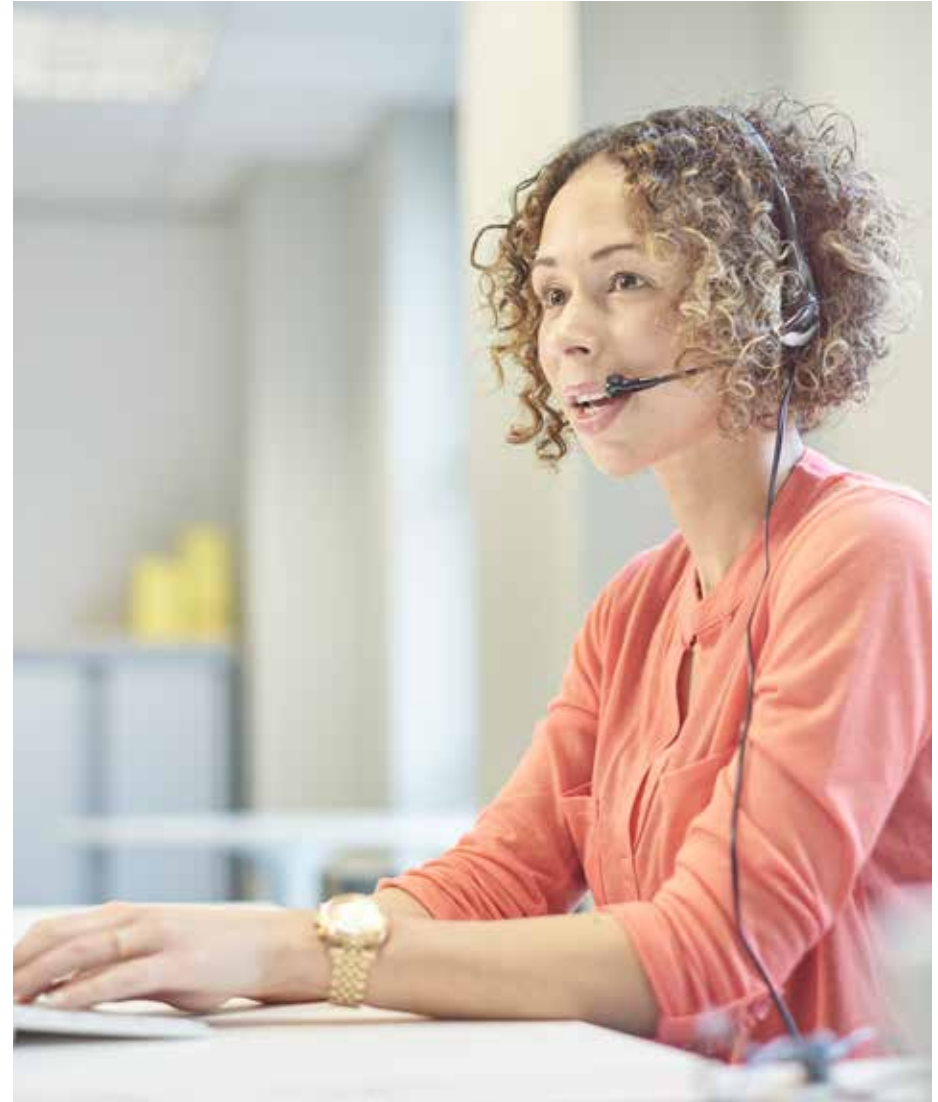


The most notable difference between global consumer use and preference is in the area of mobile messaging; preference for mobile messaging is 11% higher than its use, followed by slight differences in preference vs use for voice/IVR/video and website/forum channels.

Voice remains the main channel

“A phone conversation allows for a true understanding of the issue, which is not always well explained by a [text-based] message.”

Consumer survey respondent



Then and now

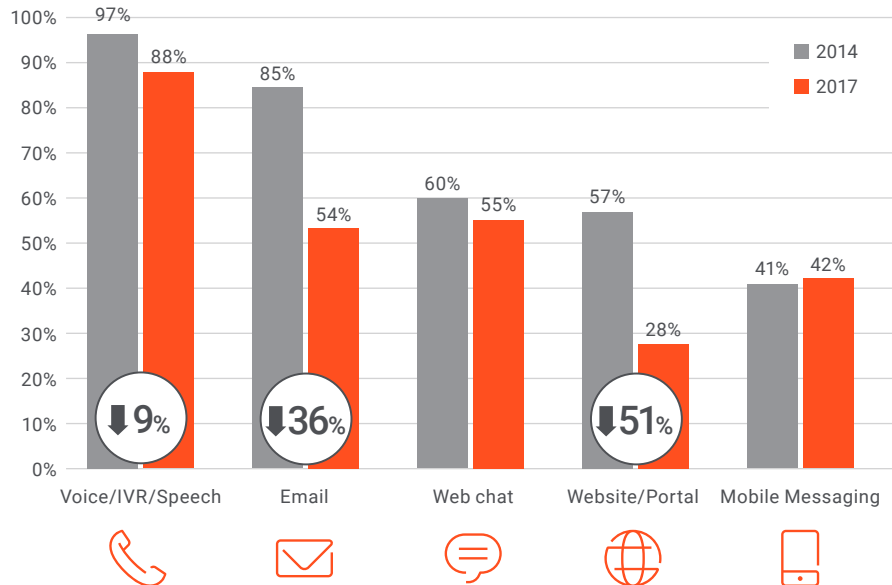
The evolving consumer use case

Between 2014 and 2017, phone, email and website use fell significantly among customers. While contacting a live agent on the phone remains high, mobile messaging preference levels are on par with those of web chat and email.

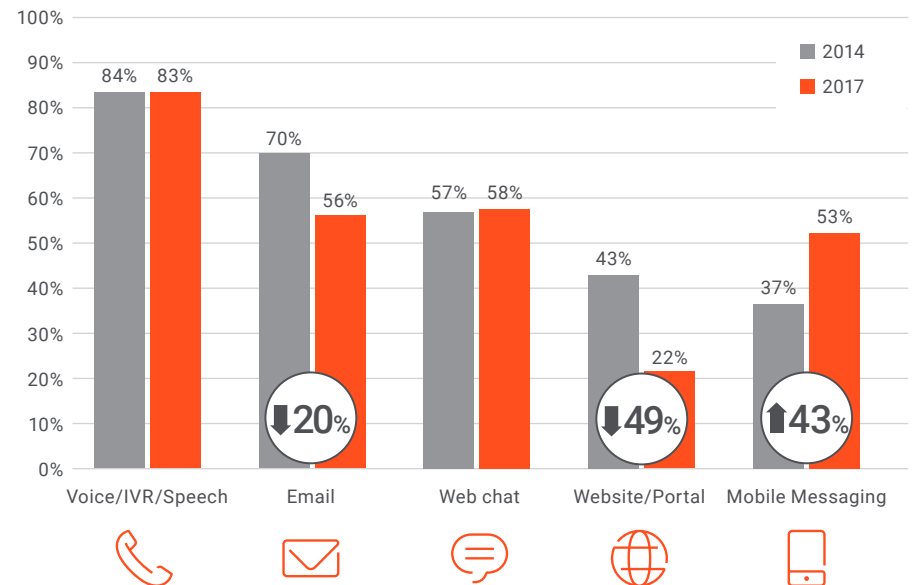
This represents 43 percent growth over the past three years in preference for mobile messaging as a service and support channel.

Fifty-three percent of respondents prefer mobile messaging, which demonstrates the ongoing shift away from phone and email.

Customer Service/Support Channels Used (Consumers)



Customer Service/Support Channels Preferred (Consumers)



Channel satisfaction matters

Bridge the divide between effectiveness and satisfaction

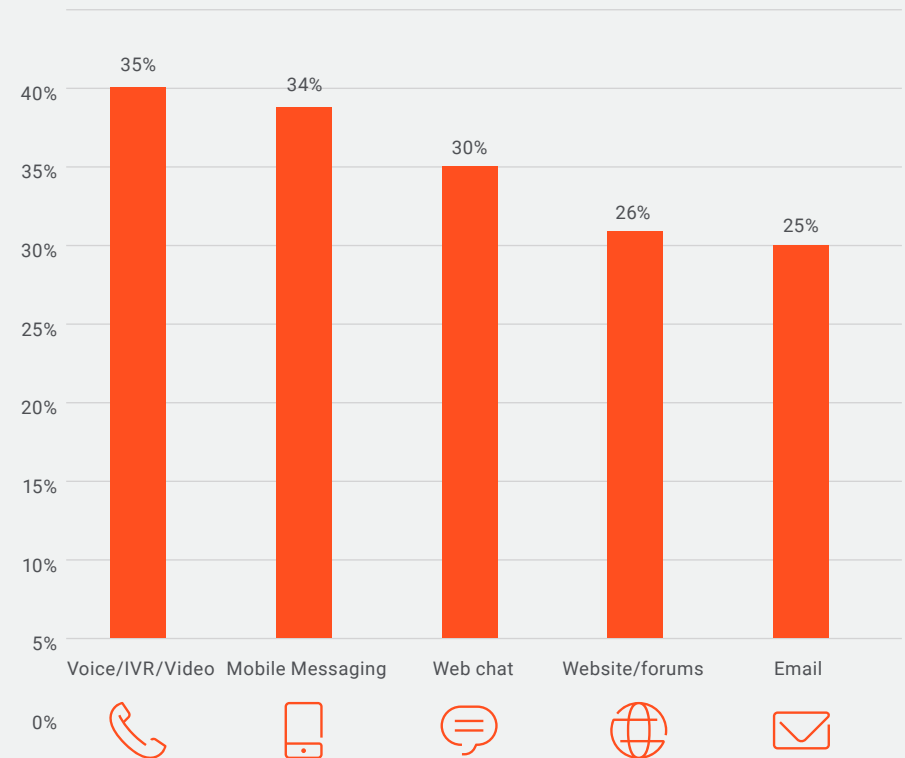
While it's vital to understand your customers' channel use and preferences, understanding channel satisfaction is also important. Most businesses don't have a good grasp on which channels offer their customers the most satisfaction. Interestingly, the results differ from use and preference.

- Voice and video rank almost evenly with mobile messaging when it comes to consumer satisfaction.
- Email ranks lower in overall satisfaction.

In the Genesys State of Customer Experience research, we asked businesses to rate the effectiveness of each channel. However, there is a divide between consumer satisfaction and business effectiveness of various channels, with mobile messaging showing the smallest gap in perception. Therefore, mobile messaging is both a preferred channel and an effective one for businesses.

When it comes to consumer satisfaction, it's important to recognise that not all channels are equal. You could deem a channel effective, but your customers may not be satisfied using it.

Customer Service/Support Channel Satisfaction (Consumers—Global Sample)

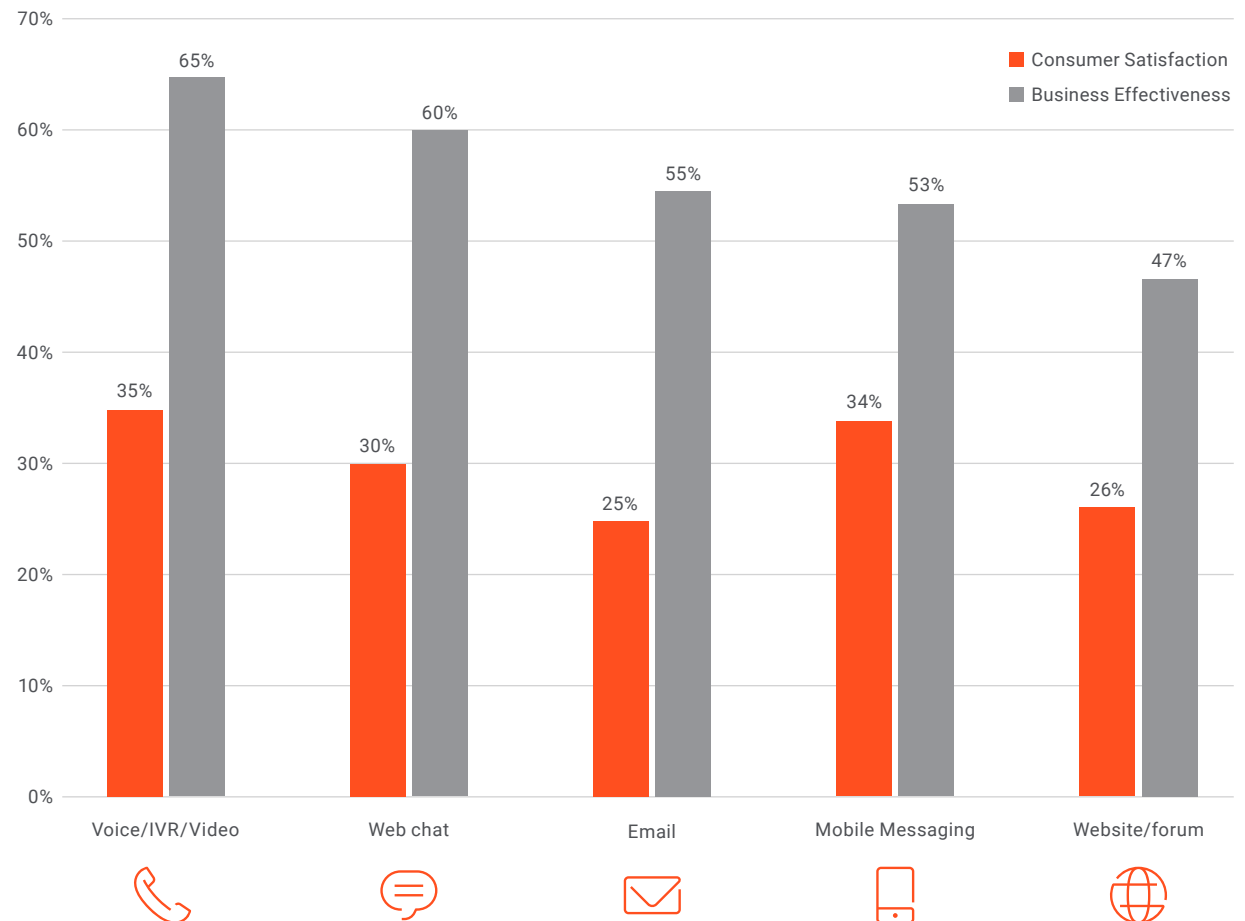


Among the global sample, satisfaction with voice/IVR/video and mobile messaging are highest, while email satisfaction is the lowest.

Channel satisfaction matters

Businesses rated the effectiveness of the contact channels much higher than consumer satisfaction with the channels. There exists a 30% difference in perception between satisfaction and effectiveness in voice/IVR/video, web chat, and email. The gap is closest between the two measurements for mobile messaging.

Customer Service/Support Consumer Satisfaction versus Business Effectiveness



Channel preferences change

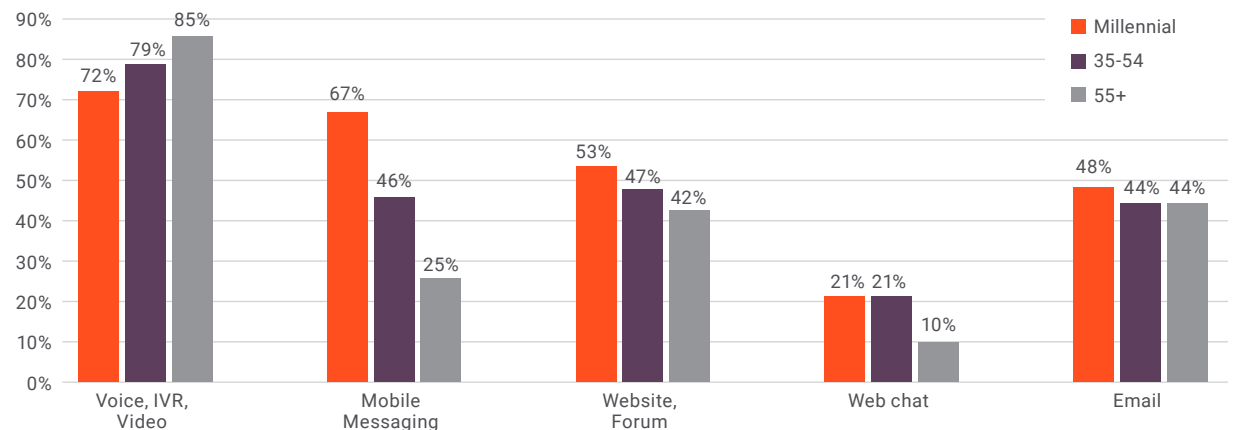
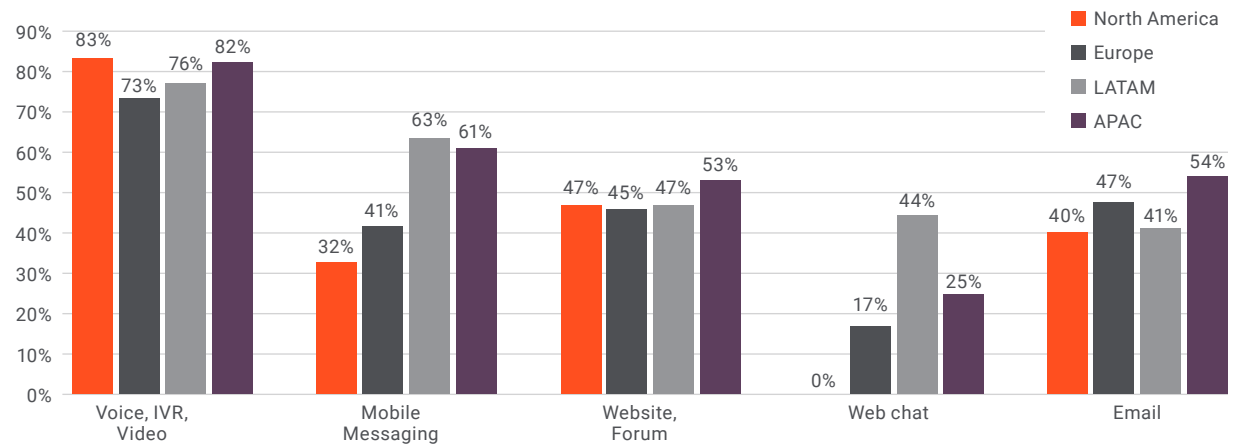
Not all interactions are the same

When you think about customer experience, every customer’s needs and goals, as well as each individual situation, is different. For example, one customer might need technical support on a product or service, while another wants an update on an order status.

In the survey, we asked consumers what their most common types of interactions were and which channel they preferred to use for each type. The results were interesting—and preferences often depend on demographics, such as region and age.

Customer service and support: Phone is still the preferred channel for service and support, but there are significant regional variations for mobile messaging. And when looking at consumer age, there’s a sharp contrast: millennials rank voice and mobile messaging about the same, while baby boomers rank voice much higher than mobile messaging.

Contact Channel Preference for Customer Service/ Technical Support/Product Warranty



Technical support/warranty communications are most frequently handled via phone for all regions and age groups, however Millennials are much more likely to use mobile messaging for this task than other age groups, as are LATAM and APAC consumers. Web chat is much more frequently used in LATAM than in all other regions.

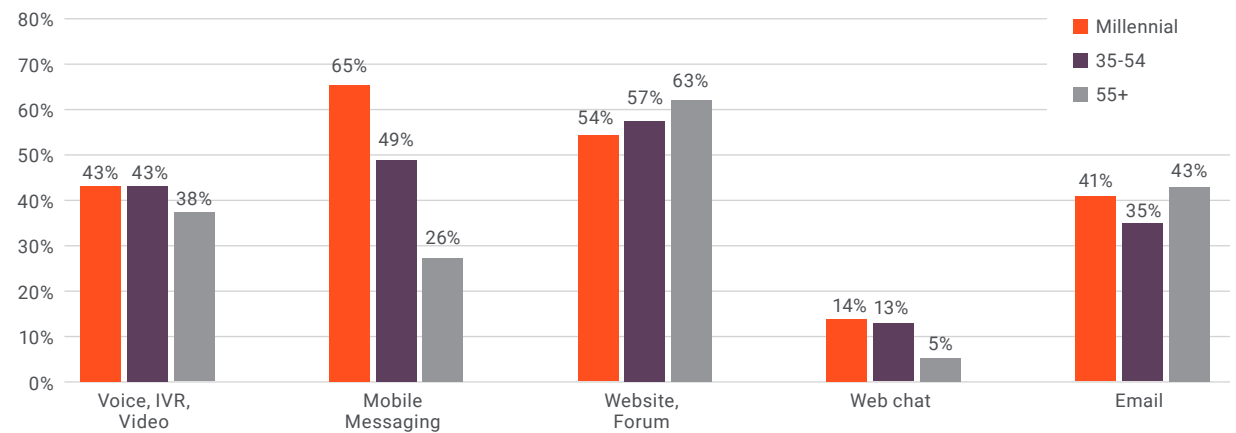
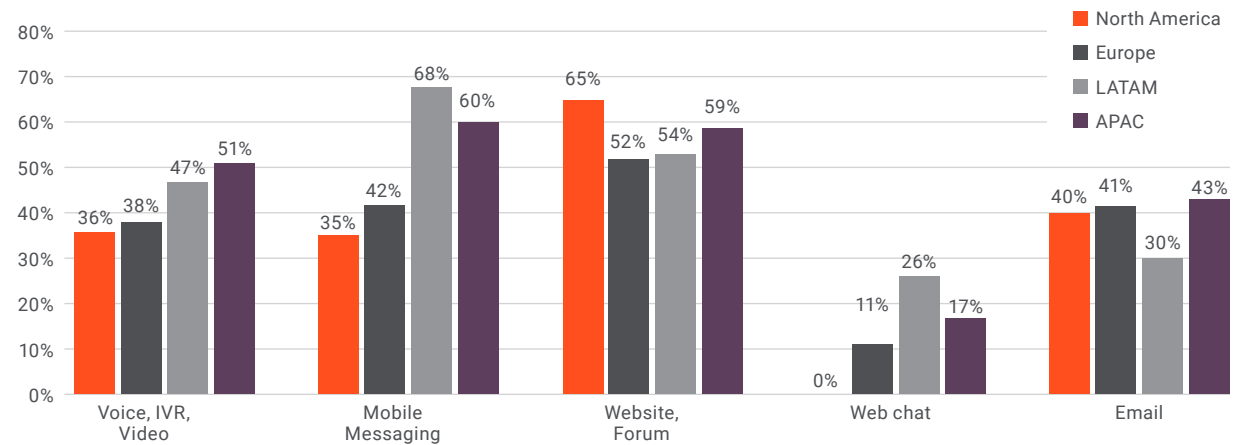
Channel preferences change

Product purchase and order tracking:

In this area, voice drops sharply while mobile messaging, website and email rank higher.

Regarding product purchase and order tracking interactions, Mobile messaging is strongly preferred in LATAM, and tied in top preference with website/forum in APAC. Website/forum is strongly preferred for these interactions in North America, much higher than all other regions. Millennials lead the way for mobile messaging use for product purchasing and order tracking.

Contact Channel Preference for Product Purchase/ Order Tracking



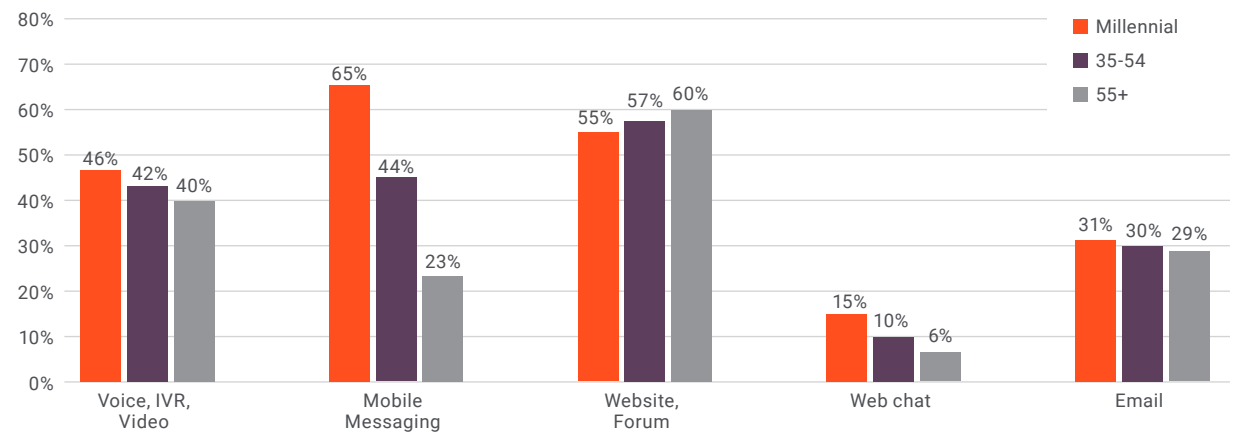
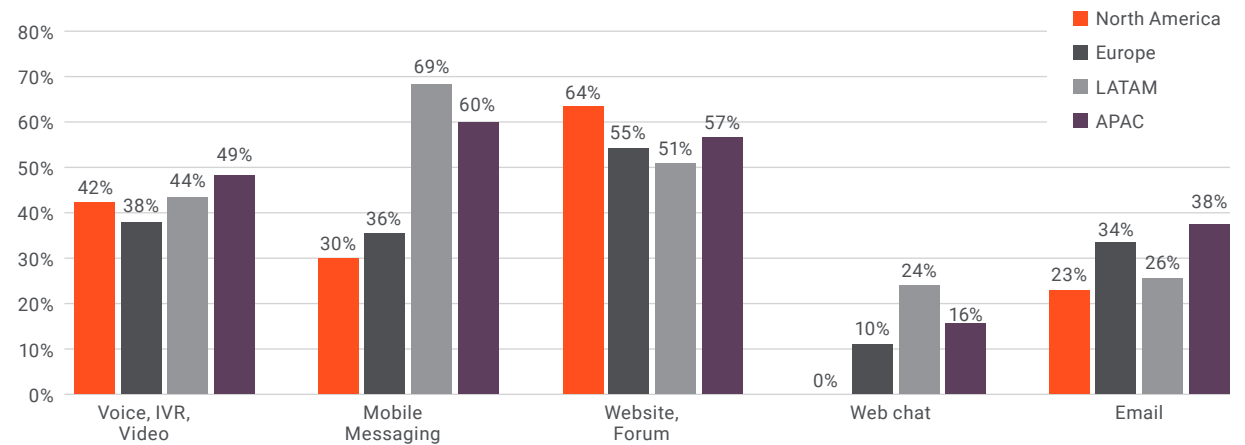
Channel preferences change

Account access and bill payment:

Consumers in Latin America and Asia-Pacific regions use mobile messaging followed by website while in the rest of the world consumers prefer the website.

Account access and bill payment are in LATAM most popularly handled via mobile messaging; Millennials prefer mobile messaging as well for account access and bill payment. Website/forum remains most popular among North American consumers.

Contact Channel Preference for Account Access/
Bill Payment

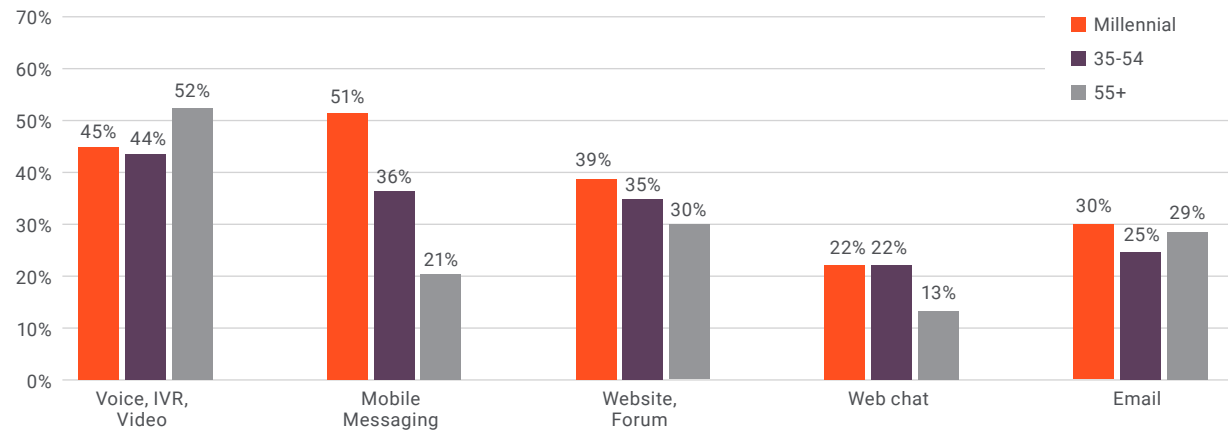
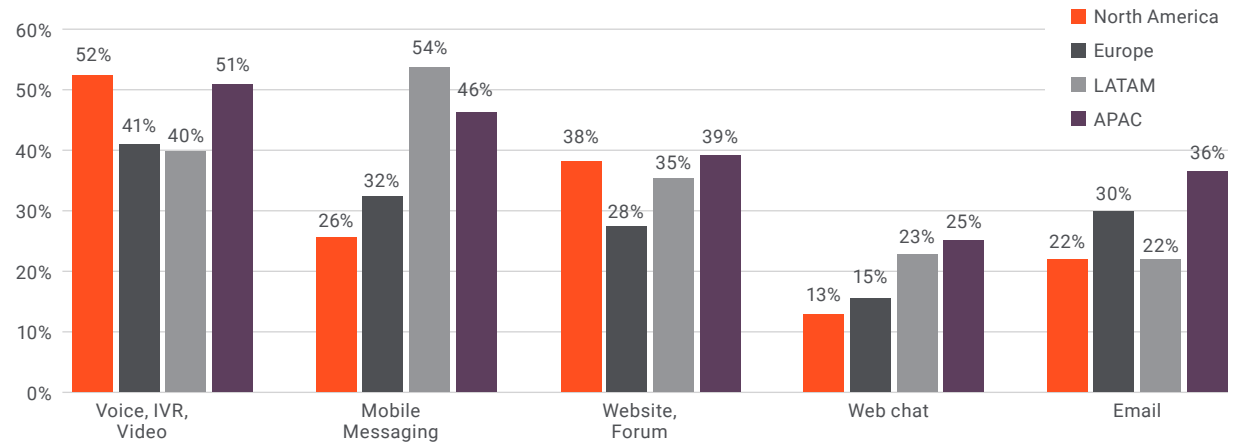


Channel preferences change

Appointment scheduling: Respondents in Asia Pacific use voice and mobile messaging nearly equally, while respondents in Latin America prefer mobile messaging over voice. North American respondents show a strong preference for voice and website. And when age is factored in, millennials prefer to use mobile messaging to schedule appointments, while Baby Boomers prefer voice.

North American and APAC consumers prefer phone for appointment setting, while LATAM respondents again prefer mobile messaging for this task. Again, Millennials prefer to use mobile messaging and report greater channel usage diversity than other age groups.

Contact Channel Preference for Appointment Scheduling

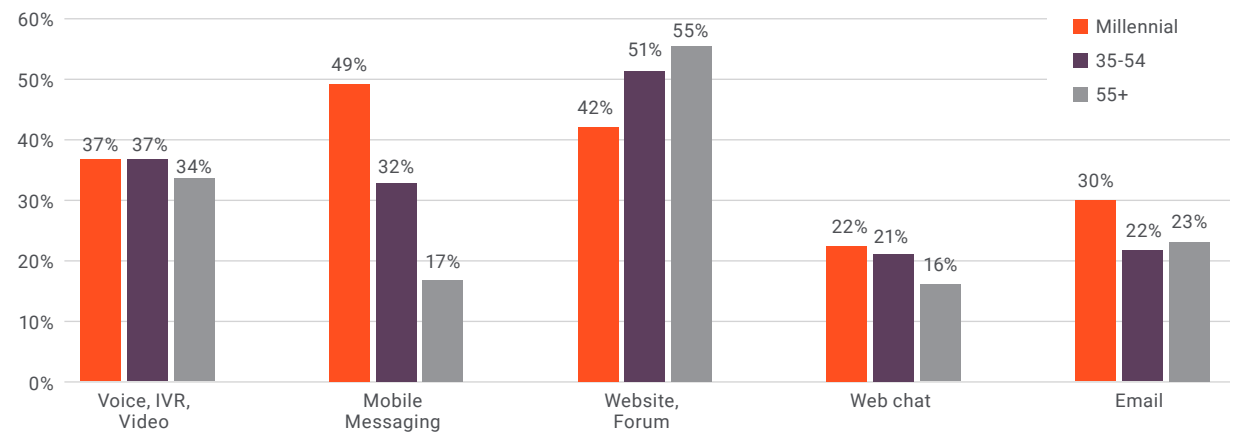
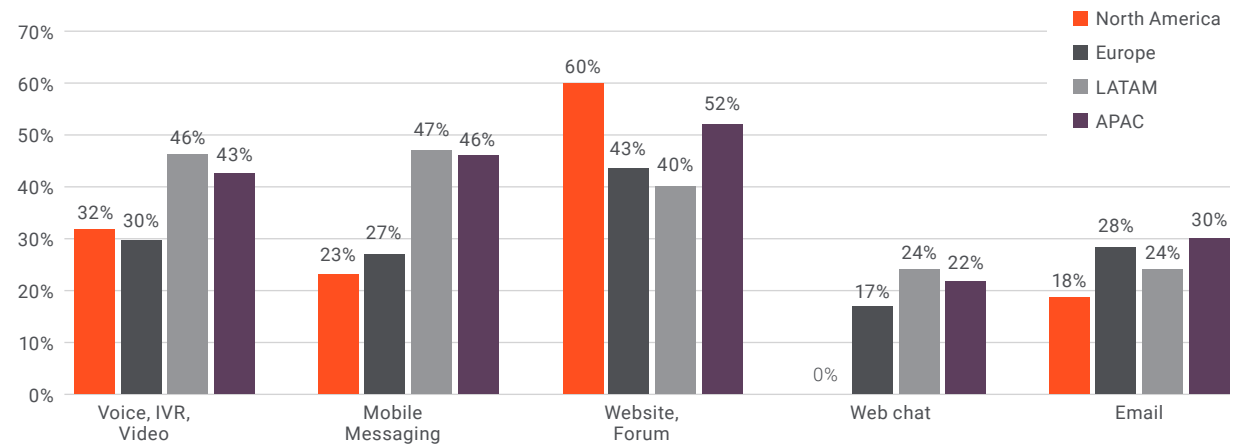


Channel preferences change

Information gathering: Most respondents prefer websites and forums to gather information, especially in North America. In Latin America, however, mobile messaging and voice are preferred. Older respondents, such as Baby Boomers, prefer to use a website to gather information, while millennials prefer mobile messaging.

Contact channel preference varies significantly by region; APAC and LATAM respondents report wider use of mobile messaging and website/forum channels for information gathering. North American respondents are more likely to use a website/forum channel than European and LATAM consumers.

Contact Channel Preference for Information Gathering



Omnichannel engagement best practices



Six ways to make it happen

In most cases, the difference between ordinary and an exceptional experience lies with the ability to engage customers on their terms and provide consistent, meaningful journeys across all engagement channels.

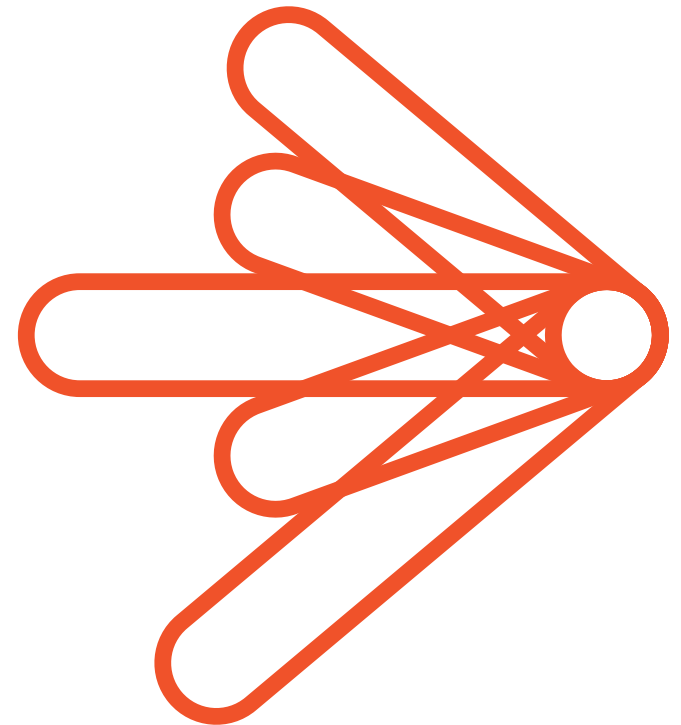
There are six factors to consider when deciding which channel to deploy next:

1. What types of interactions are needed? What problems are your customers trying to solve?
2. What is your customer segmentation? You must know the value of each customer segment and understand what they need when it comes to their overall experience with your company. You should also consider any regional variances.
3. **Consider the entire customer journey for each segment and spend time engaged in mapping**—from customer acquisition through support and resale.
4. Evaluate existing channels and infrastructure, and learn how each relates to your customer experience strategy, including routing, reporting and artificial intelligence (AI).
5. Consider staffing needs, including automating simple tasks to increase efficiency across channels. Not all agents can manage every interaction type.
6. Evaluate mobile messaging as an engagement channel. Demographics are changing—you need to be ready. You'll also gain value from greater efficiencies and elevated brand perception that mobile messaging service and support will bring.

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Digital engagement: **A key component of transformation** The advantages and challenges

Digital transformation is one of the most important trends shaping the future of business. Digital transformation changes the way in which companies sell, market, operate and scale in an increasingly digital economy. But this transformation is not without its challenges.

Digital engagement: A key component of transformation

The rise in multichannel touchpoints has complicated the end-to-end customer journey. Increased use of mobile devices that enable easy access to a multitude of channels further complicates the management of customer journeys. And yet, customers expect to receive consistent and personalised experiences—no matter which channel they use. Digital engagement channels that customers use to connect with you are a key component of an overall digital transformation strategy.



Following the generational shift



Consumers are more knowledgeable and demanding than ever, and that changes their perspective on channels. But these perspectives vary greatly based on geography and age groups. Millennials are driving the use and preference of digital engagement channels.

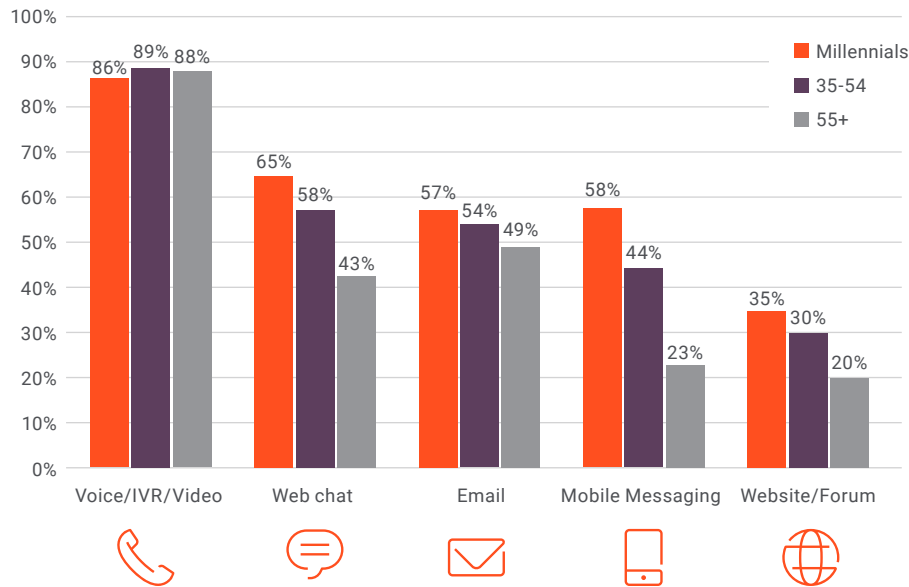
To most pre-millennial generations, technology is a great tool for solving problems. To millennials and members of Generation Z, technology is an extension of themselves. They use it intuitively, and expect everyone else to do the same. After all, they have never been without it—and they have no reason to expect to be without it in the future. This also holds true for agents and service representatives from these eras. They are digital natives who expect all their experiences to mimic their day-to-day mobile technology use.

Following the generational shift

Millennial channel use shows a greater variety than that of older age groups. They favour an omnichannel approach to customer service interaction. While 58 percent of millennials use mobile messaging, the use of modern channels for customer service and support interactions decline dramatically among older generations.

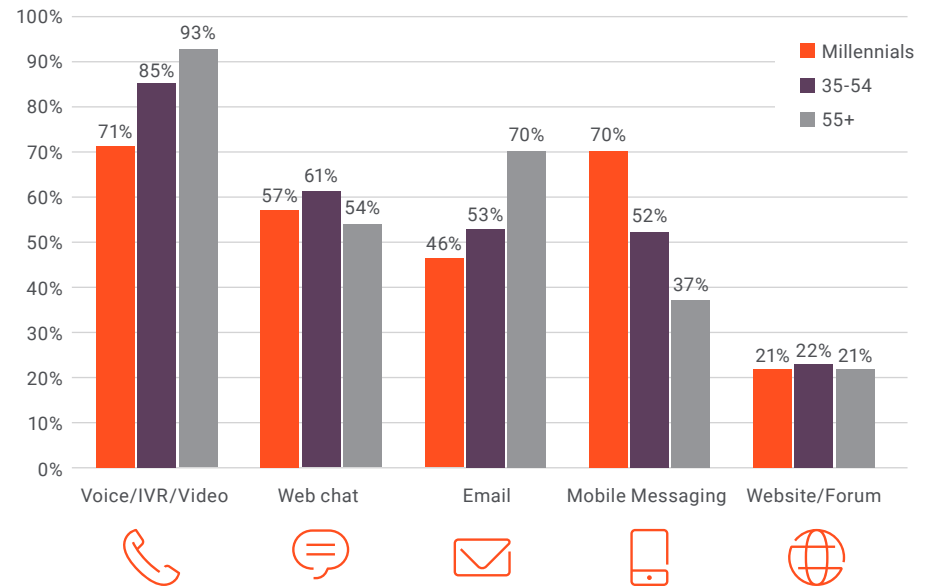
Millennial channel preference is more evenly distributed than either of the older age groups, with lower preferences for website and email, but significantly higher preferences for mobile messaging, including messaging apps, texting, social media and chatbots. This research found that 70 percent of millennials show a strong preference for mobile marketing. Older generations, however, strongly prefer a voice interaction.

Customer Service/Support Channels Used (Consumers)



Millennial channel use is significantly more varied than either of the older age groups for customer service/support interaction. Most notably, while voice and email use is similar, mobile messaging use in this group is at 58%, and double the usage rate of 55+ consumers.

Customer Service/Support Channels Preferred (Consumers)

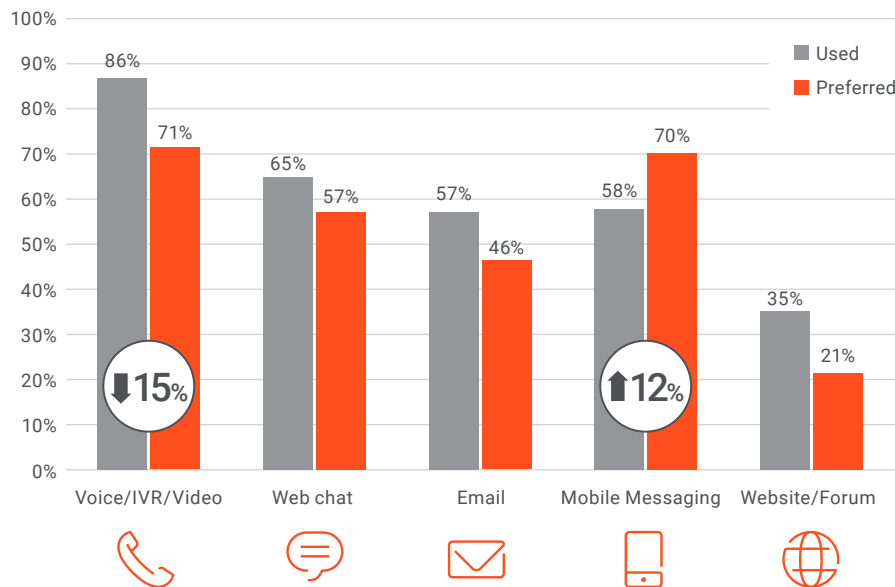


Millennial channel preference is much more evenly distributed than either of the older age groups, seeing lower preference for live agent via phone or for email, but significantly higher preference for mobile messaging.

Following the generational shift

The differences between **millennial use versus preference** is even more striking. The preference for mobile messaging jumps to 12 percent among millennials, while preference for all other channels drops significantly, including a 15 percent drop in voice preference.

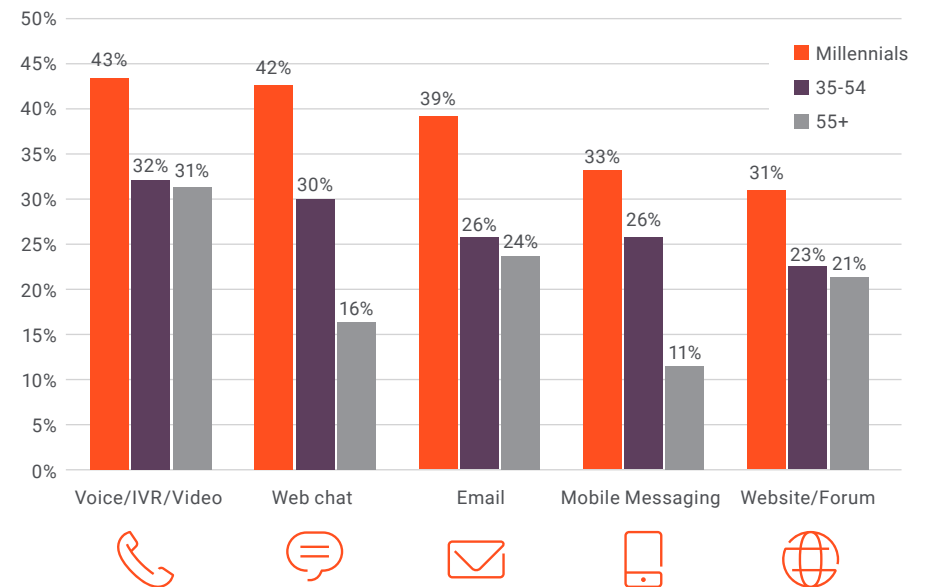
Customer Service/Support Channels Used and Preferred (Millennials)



Among Millennials, the differences in use versus preference are more striking than in the global sample—preference for mobile messaging jumps 12%, while preference for all other channels drops significantly, including a 15% drop in voice/IVR/video preference.

Consumer satisfaction also varies significantly when comparing age demographics. Millennials are much more satisfied overall, with voice and mobile messaging ranking almost identically.

Customer Service/Support Channel Satisfaction (Consumers)



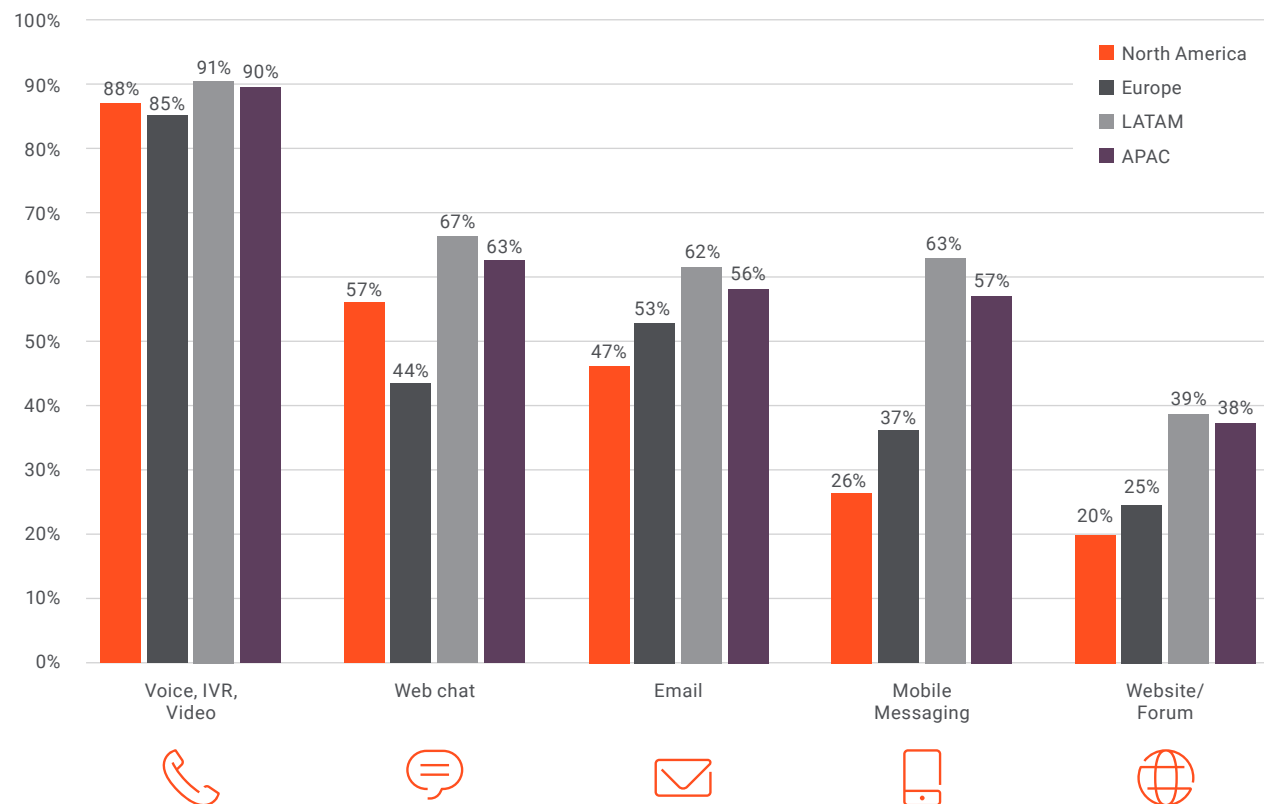
Millennials are much more satisfied with customer service contact channels than are any of the other age groups, with a similar level of satisfaction between voice/IVR/video, mobile messaging, and web chat.

Regional variations

Digital engagement drivers from region to region

Consumers in Latin America and Asia Pacific regions are at the forefront of the shift toward digital engagement channels. Use of all digital channels is highest in Latin America, followed closely by Asia Pacific, demonstrating strong omnichannel use in those regions. Mobile messaging is less prevalent in North America and Europe.

Customer Service/Support Channels Used (Consumers)

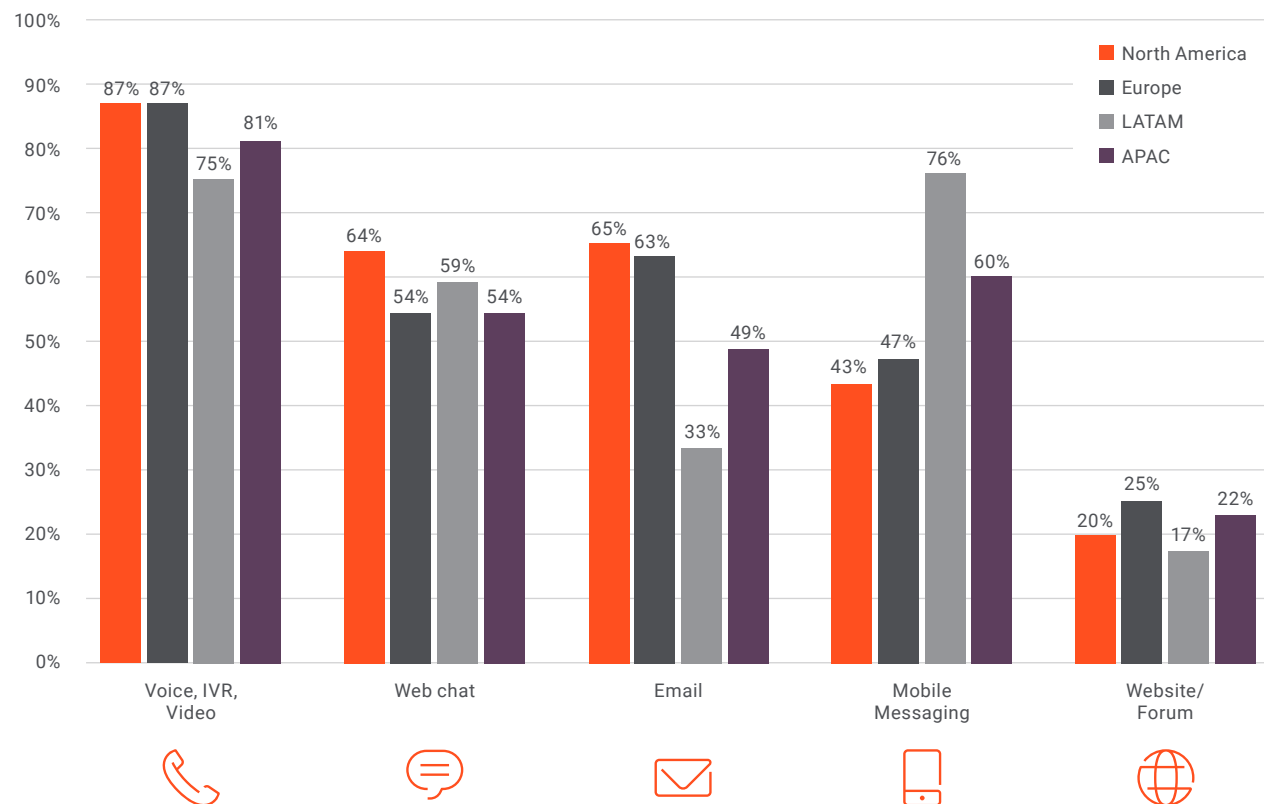


Use of all channels is highest in Latin America, followed closely by APAC, demonstrating strong omni-channel usage in those regions. Mobile messaging channel use is far less prevalent in North America and Europe.

Regional variations

Globally, the preference to speak with a live agent voice remains high; however, respondents in Latin America prefer mobile messaging over voice as the preferred channel.

Customer Service/Support Channels Preferred (Consumers)



Globally, live agent via phone remains high, however mobile messaging preference is dramatically higher in Latin America, where we see a corresponding reduction in email preference.

The rise of mobile messaging

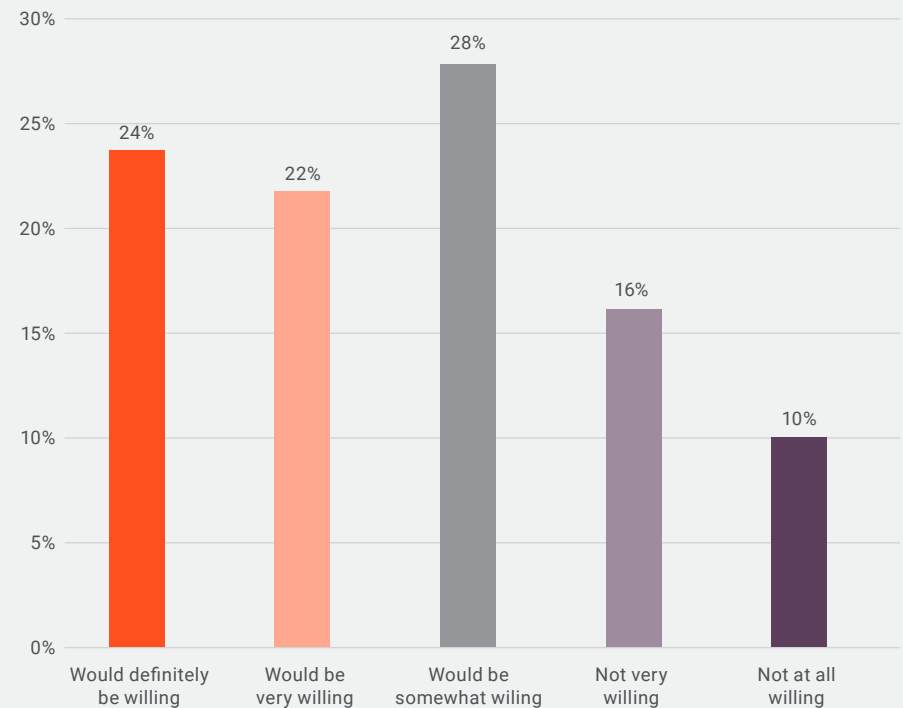
Where mobile and asynchronous communication fit

The use of mobile messaging and asynchronous communication is on the rise. Mobile messaging apps have become a communication phenomenon; their convenience and ease of use push them to the top of the list as a preferred engagement channel for billions of consumers.

Approximately 50 percent of consumers will use mobile messaging apps for customer service and support. Another 28 percent are willing to give mobile messaging a chance. In Latin America, preference for mobile messaging is overtaking voice.

According to respondents who prefer to use mobile messaging apps for customer service and support, this engagement channel allows them to multitask. Some respondents also found that mobile messaging makes it easier to explain their situation or problem, compared to relaying that same message over the phone.

Consumers: How willing are you to use a messaging app for your customer service/support interactions?



LATAM and APAC are leading adoption of messaging apps, but consumers are still not convinced. While a voice conversation is still the preferred method for live agent interaction, 30% of consumers in LATAM would prefer to using a messaging app over a telephone call. There was almost no difference in willingness by age.

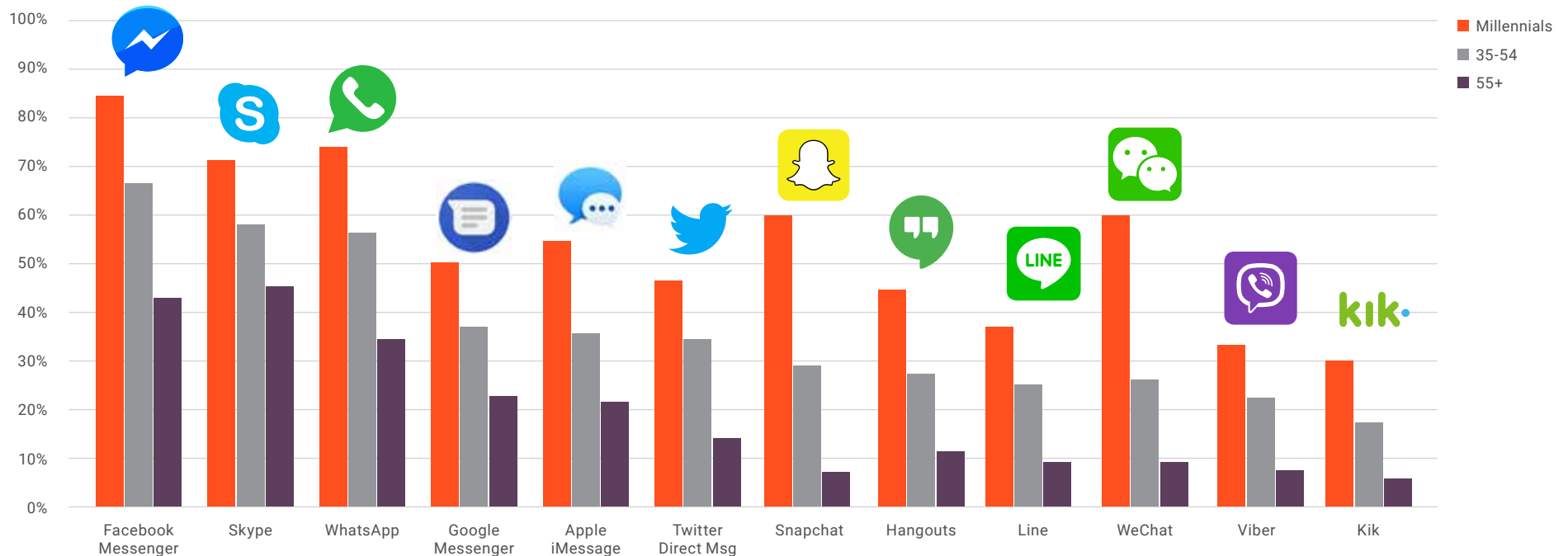
The rise of mobile messaging

According to this research, top consumer use of messaging apps globally includes Facebook Messenger, Skype and WhatsApp.

The age range of respondents using mobile messaging, especially Facebook Messenger, is broad. More than 80 percent of millennials use Facebook Messenger, as do more than 50 percent of generation Xers—age 35-54.

Consumers: Any messaging app usage

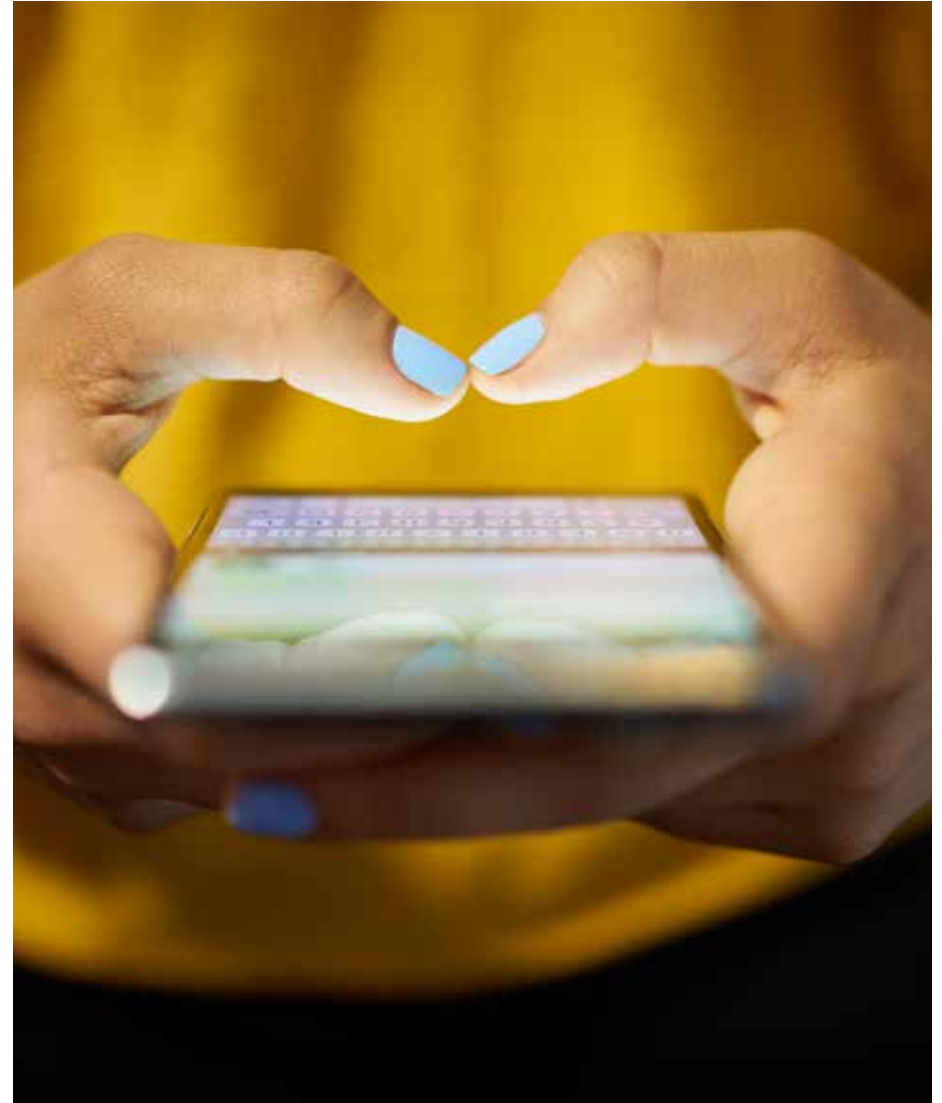
Consumers use Facebook Messenger most often, followed by Skype and WhatsApp. Messaging app usage declines with age, with 83% of 18-24 year olds but only 32% of those 65+ using Facebook Messenger. Messaging app use is most frequent in LATAM and least frequent in North America.



Messaging offers clarity and convenience

“I prefer messaging because it is easier to explain the situation and because I can do it while doing other activities—without having to wait until someone becomes available.”

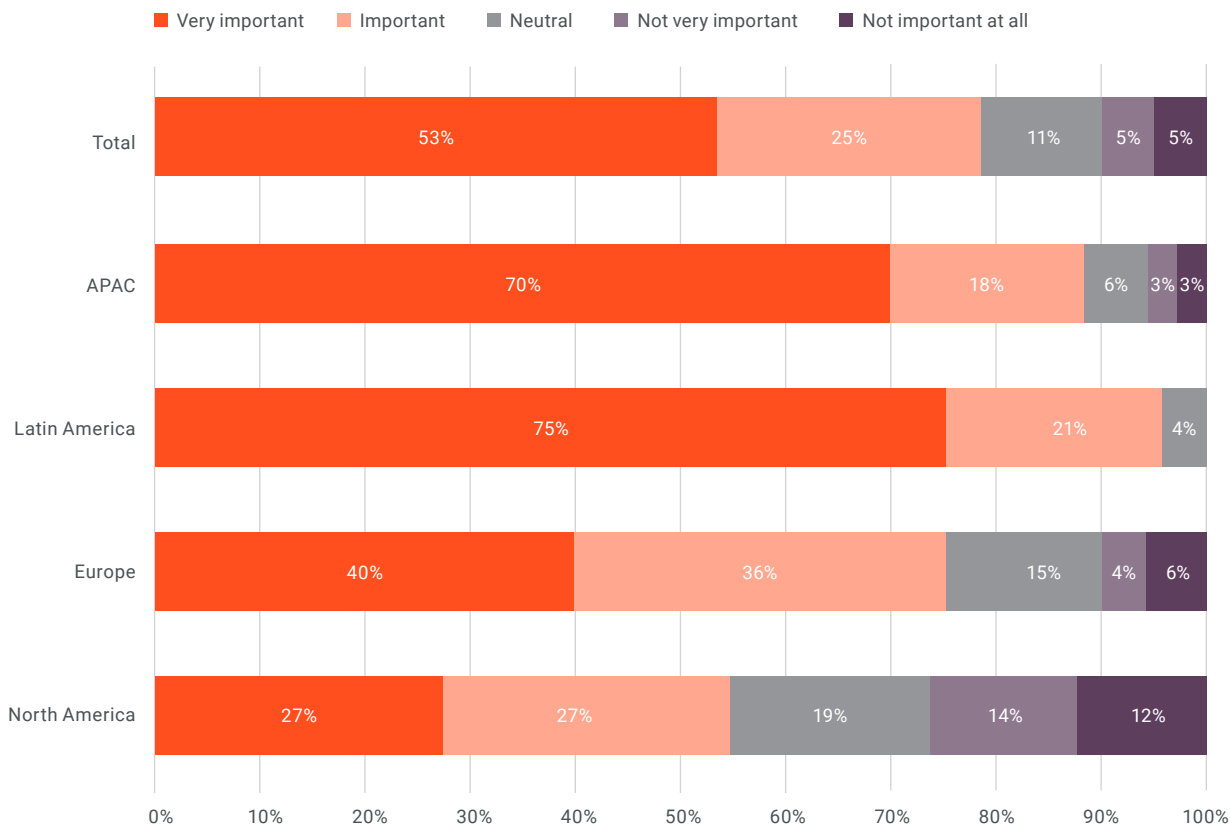
Consumer survey respondent



Why messaging popularity continues to rise

Customer Care:

How important is the ability to support the use of messaging apps for your customer interactions?



While a voice conversation is still the preferred method for live agent interaction for 70% of consumers, 53% of businesses consider the ability to support messaging apps to be very important. Business support considerations are highest in LATAM and APAC at over 70%, but fall to 27% in North America.

Businesses are attracted to mobile messaging because of its continual and persistent nature. It provides a record of a **continuous dialogue with a customer**. This continuous conversation can be picked up at any time, by any bot, agent or representative, right where it left off.

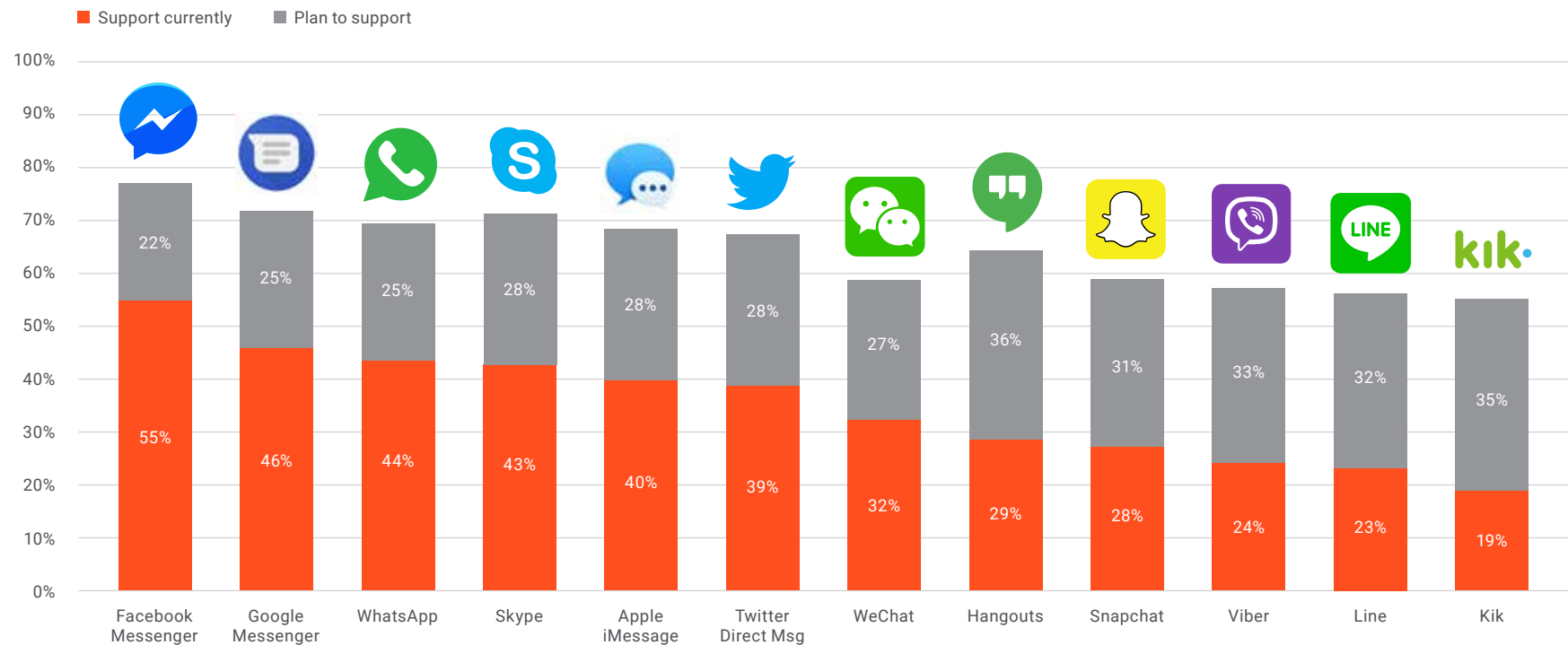
While a voice conversation is still the preferred interaction method for most consumers, 53 percent of businesses consider the ability to support messaging apps as very important. Business support considerations are highest in Latin America and Asia Pacific regions, at more than 70 percent. Those rates drop to 27 percent in North America.

Why messaging popularity continues to rise

Messaging apps that businesses use or plan to use globally in their customer service and support centres include Facebook Messenger, Google Messenger and WhatsApp—ranked by use in that order. However, applications like Kik and Hangouts messaging show the largest expected growth.

Businesses:

Which of the following messaging apps does your organisation support for customer service/support?

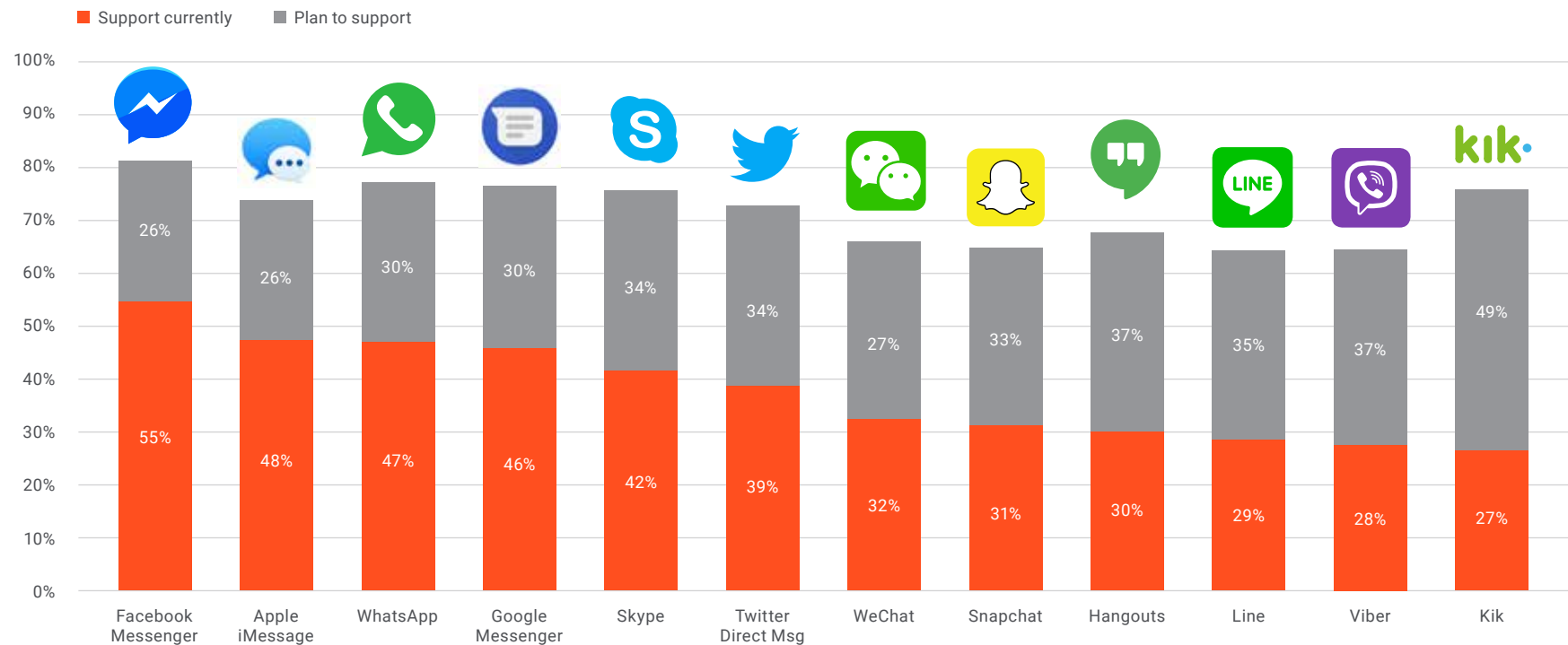


Why messaging popularity continues to rise

Marketing and lead generation also are using messaging apps to attract and interact with prospective customers. Facebook Messenger still holds the top spot, but the messaging app Kik is seeing the largest growth opportunity.

Businesses:

Which of the following messaging apps does your organisation support for lead generation?



Social media engagement and sharing



Avoid the PR nightmare

It's common for customers to use social media to engage with brands. While this has typically been managed manually within an organisation's marketing department, more companies choose software tools that automatically sort, analyse and route these engagements to an appropriate person. By managing these engagements as you would any other channel, you can respond quickly to customer issues that could otherwise turn into public relations nightmares.

Social engagement

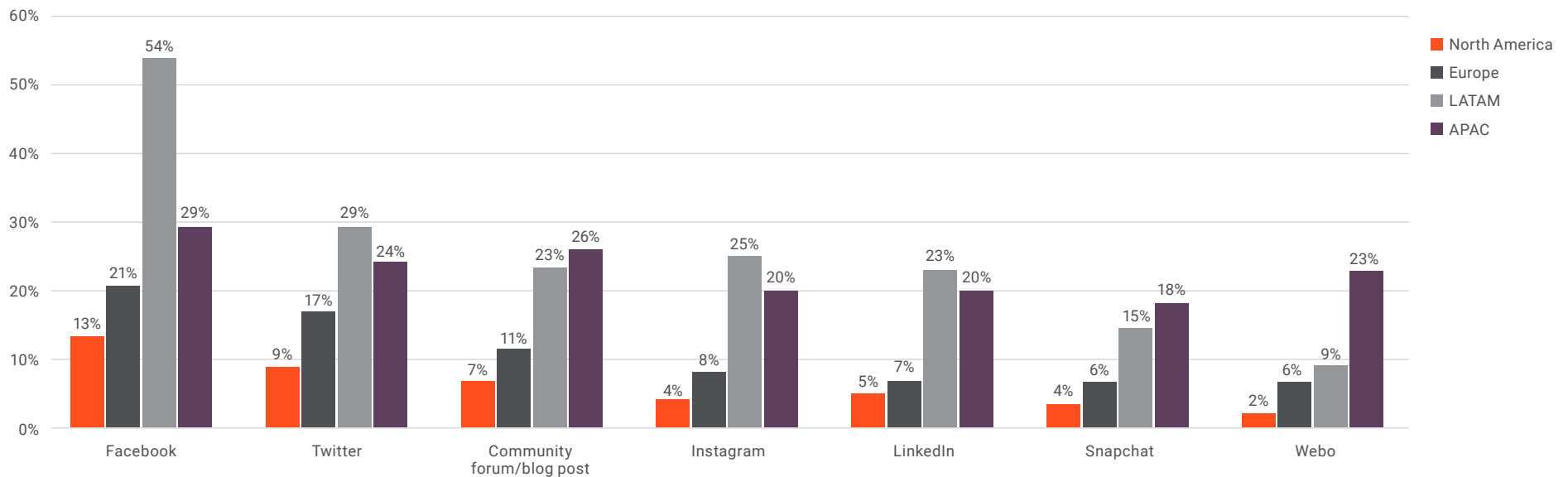
In the **Genesys State of Customer Experience** survey, we asked consumers about their use of social media as an interaction channel for customer service and support.

- Consumers in Asia Pacific and Latin America regions are most likely to use social media. North American consumers are least likely to use it.
- Of consumers in Latin America, 54 percent use Facebook.

54% of consumers in LATAM use Facebook to interact with customer service. Consumers in APAC and LATAM are most likely to use social media for engagement with a business. North American consumers are least likely. Social media use for customer service interaction is highest among those ages 25-34 and 35-44. Use among those 65+ is negligible.

Consumers:

Currently using social media networks for customer service



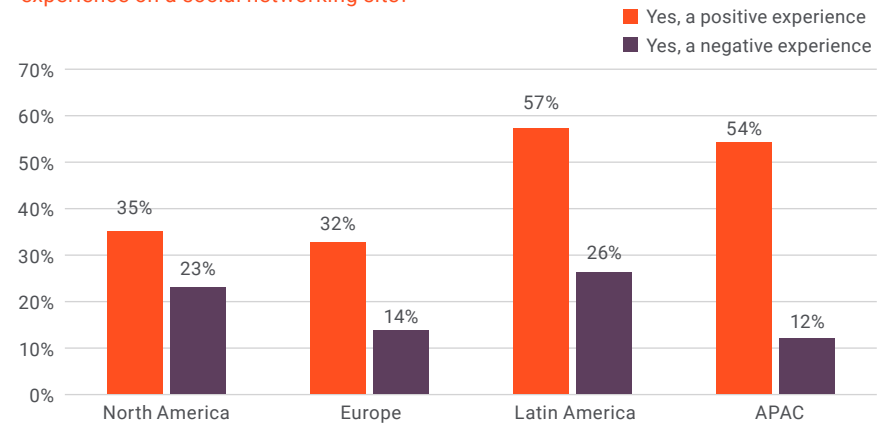
Social sharing

When asked about their habits for sharing good and bad experiences via social media:

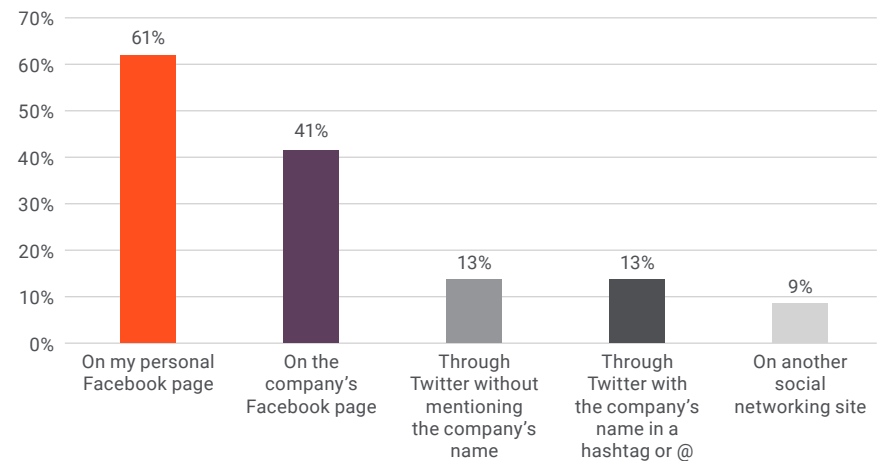
- Overall, 35 percent of consumers would share a great experience on social media, while only 21 percent would share a negative or bad experience.
- Twenty-four percent of consumers would never share on social media, regardless of the experience.
- Consumers posted their experiences on personal Facebook pages most often, followed by the Facebook page of company with which they dealt.

Consumers:

Have you ever shared a customer service or support experience on a social networking site?



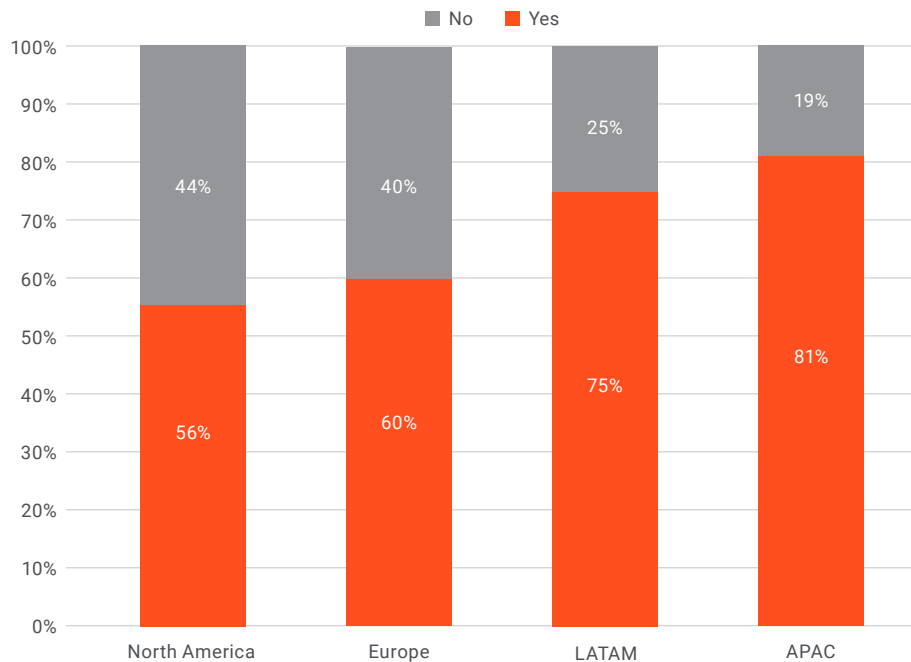
Consumers: Which of the following best describes how you shared your experience?



Social sharing

Consumers also were asked if the business responded to their post to their satisfaction. Respondents in Asia Pacific and Latin America regions indicated that businesses did respond satisfactorily most of the time (81 percent and 75 percent, respectively). However, North American respondents indicated

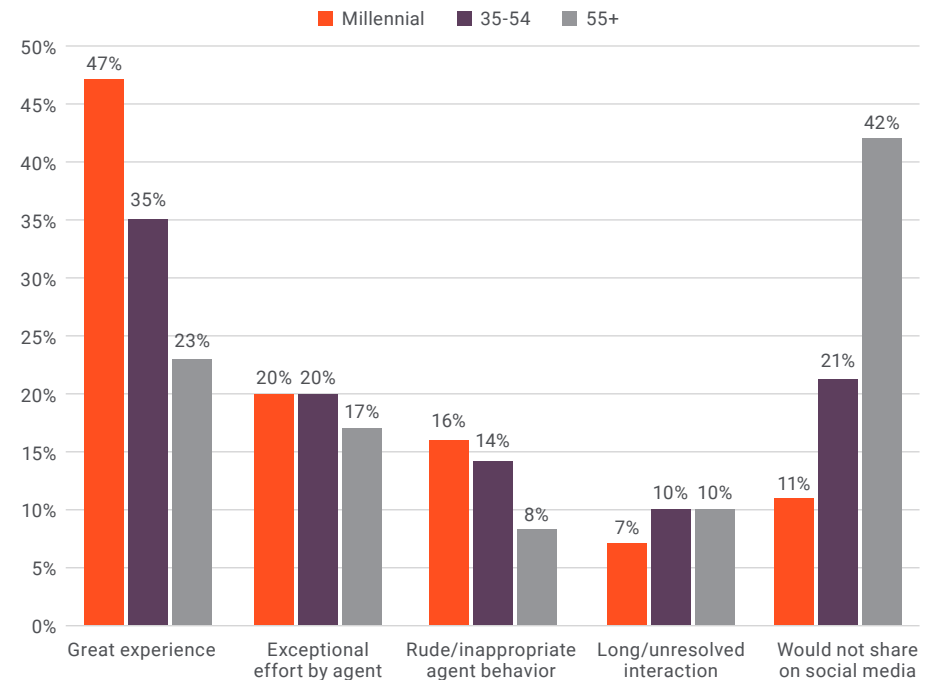
Consumers: Did the company respond to your social media post to your satisfaction?



APAC and LATAM respondents indicated they are more likely to respond satisfactorily to consumer social media posts (81% and 75% respectively), while North American businesses do so just over half the time.

that businesses offered a satisfactory response just over half the time. Overwhelmingly, millennials are more likely to share a positive experience on social media than older age groups are; 42 percent of 55-and-over consumers likely will not post an experience with a business on social media.

Consumers: Which of these is most likely to prompt you to share a customer service/support experience on a social networking site?



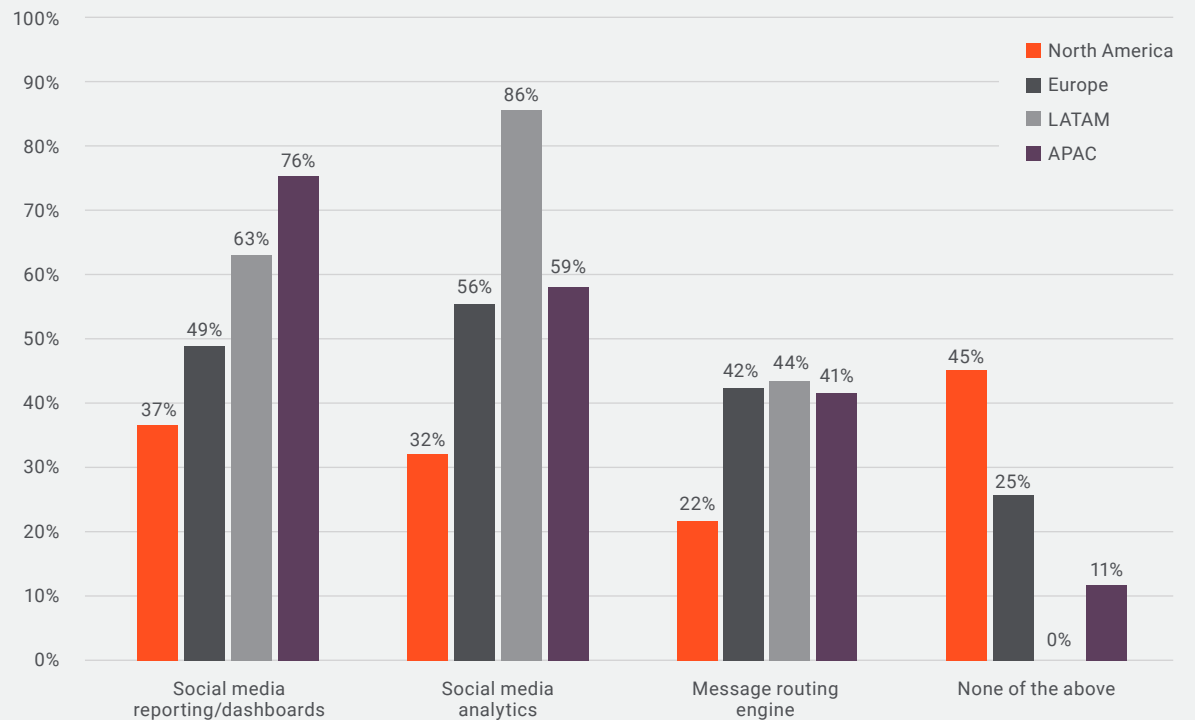
6 in 10 LATAM respondents are likely to share a positive experience on a social media site, 20% more likely than APAC respondents. Overall, North American and European were least likely to share an experience with a company on social media at all. Millennials are overwhelmingly more likely to share a positive experience on social media than older age groups; 42% of 55+ consumers are most likely to not post an experience with a business on social media.

Customer care social tools

Executives in customer care were asked what social tools they use to manage social engagements, including social media dashboards/reporting, social media analytics and a message routing engine:

- Respondents in Asia Pacific regions are twice as likely to have social media reporting and dashboards as North American customer care respondents are; respondents in Latin America regions are significantly more likely than all other segments to have social media analytics at their disposal.
- Nearly half of North American customer care respondents indicated they do not have any of the tools listed.

Customer Care: Are you provided with any of the following tools to handle complaints delivered via social media channels?



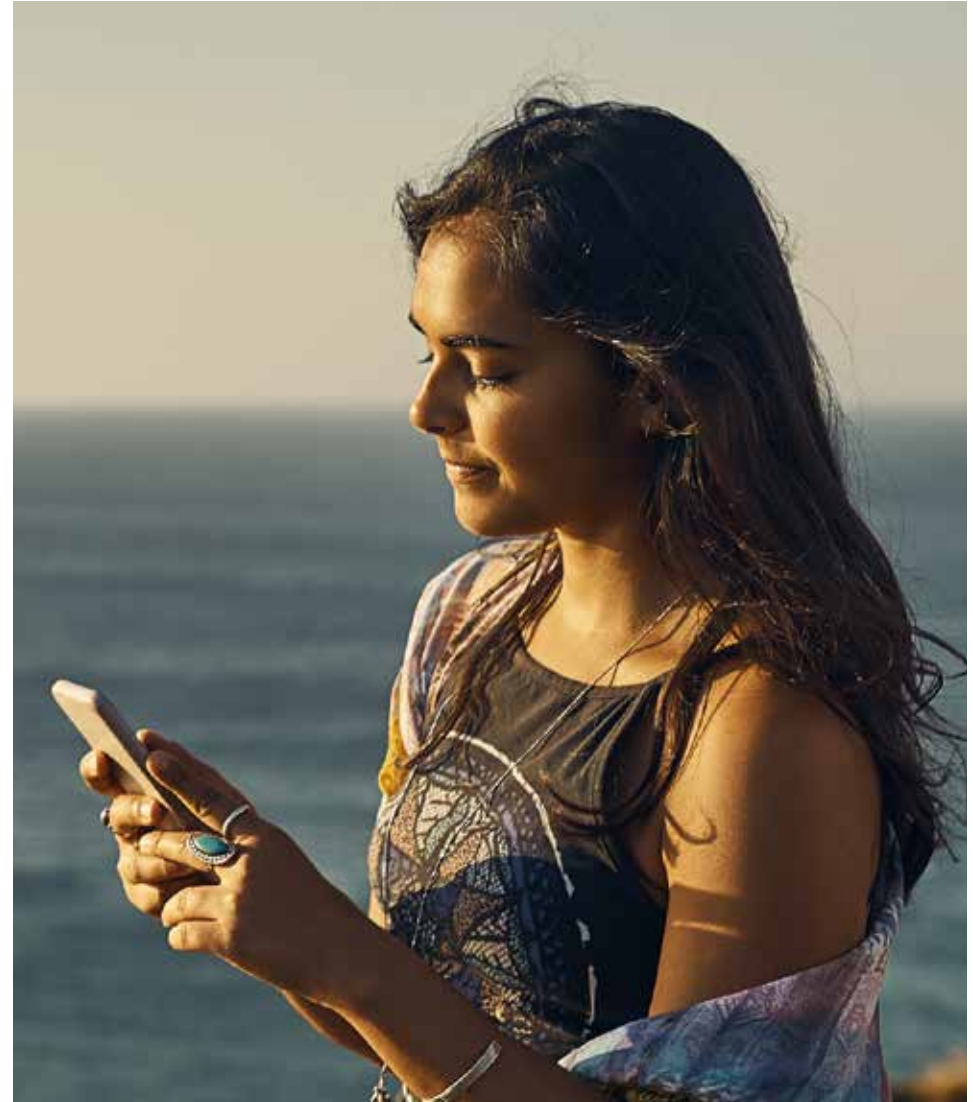
APAC respondents are twice as likely to have social media reporting/dashboards as North American customer care respondents, and LATAM respondents are significantly more likely than all other segments to have social media analytics at their disposal. Nearly half of North American customer care respondents indicated they had none of the complaint handling tools listed.

Social engagement requires balance

“I hate using the phone, but I also don’t want to connect my social media profiles to random companies for support. I don’t trust them to not spam me.”

Consumer survey respondent

It’s essential to exercise care, separating service and support engagements from marketing efforts. Some consumers would like to use social media for service and support but, at the same time, those consumers fear being bombarded with offers and ads. It’s important to clearly understand your customers wants, needs and preferences ([see Chapter 3: Personalisation vs. Privacy](#)).



Where to start with digital engagement



1. Analyse customer journeys: Understand your existing customer needs and journeys. Look for situations where customers have connected with your business multiple times—across channels—to solve the same problem. Identify:

- The underlying reason the issue wasn't resolved the first time
- If the customer had to repeat their request each time they connected with you
- Whether information is shared across each of your engagement channels and touchpoints

Don't treat voice as a silo; digital engagement channels should enable a voice escalation, when needed.



2. Include self-service and automation: Make sure that you seamlessly integrate self-service and assisted service over digital engagement channels to get the best of both worlds. Consider what self-service channels you have in place today as well as what plans you have for the future, such as using other forms of automation like bots or AI. Self-service and automation can reduce costs and streamline the experience, but you need to include them in your overall plans.

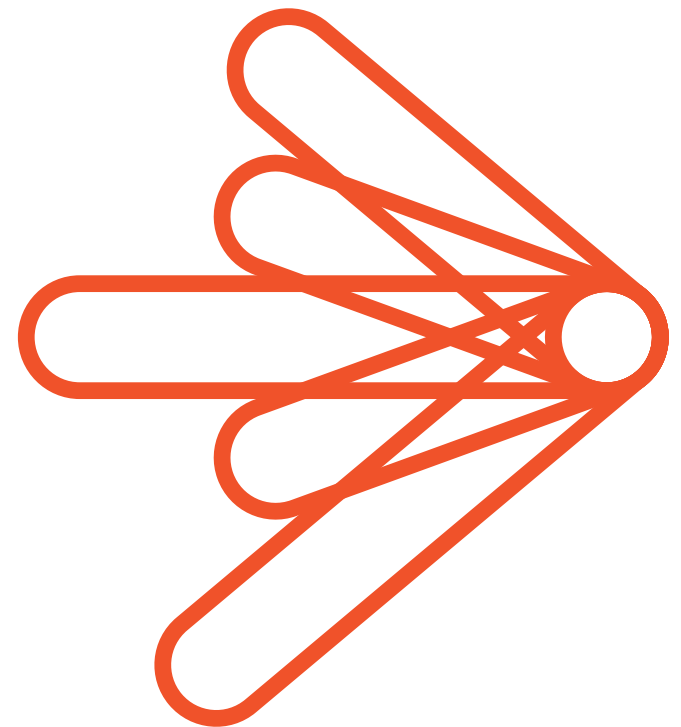


3. Create a plan: Consider investing in new asynchronous messaging channels. Develop a plan for using asynchronous messaging as part of customer acquisition (lead generation), customer service and ongoing support. Determine how you'll use persistent context across various business groups to improve process and streamline the customer journey. Vet the plan across all business units, and ensure that messaging is an integrated piece of the overall omnichannel experience.

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Rise of the machines

Industry experts project that 6 to 8 billion smartphones and between 50 to 80 billion connected devices will hit the market by 2020. And that proliferation will usher in new methods to handle once-manual tasks.

Rise of the machines



With so many connected people and devices, artificial intelligence (AI) will power next-generation automation to help businesses and consumers alike. But AI isn't strictly about replacing humans with machines, though some may want you to believe that. It's about working smarter and more efficiently—using the data and insights available to you to create an experience that is simple and powerful. The next generation of automation combines the efficiencies of automation with the power of human touch.

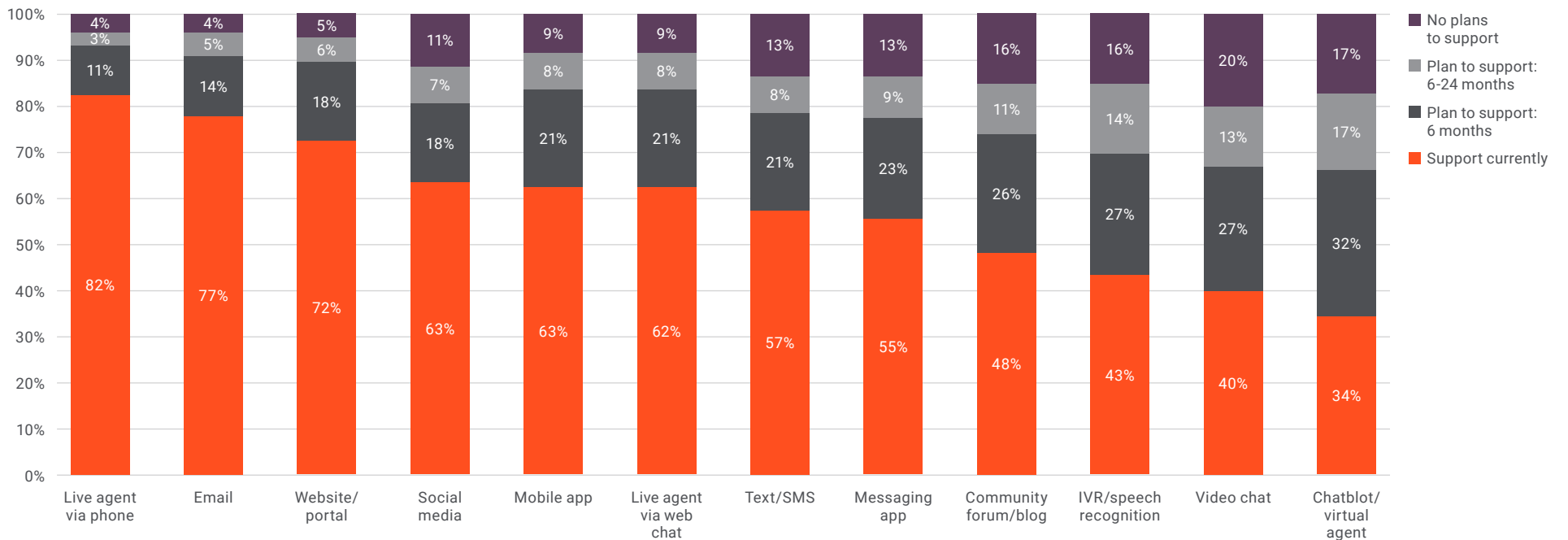
Ready or not, here come the bots

Will humans take a back seat?

Globally, businesses are aware of the benefits of service automation and leveraging bots, especially for simple and repetitive tasks. However, consumers generally do not feel that bots can handle most interactions and prefer to speak with human agents to solve more complex problems.

- Thirty-nine percent of businesses report that they offer chat bots. Yet, only 14 percent of consumers have used one within the last 12 months.
- Sixty-six percent of businesses plan to use some type of chat bot within the next six months. However, only 2 percent of consumers prefer to use them.

Business Contact Channel Support—Global

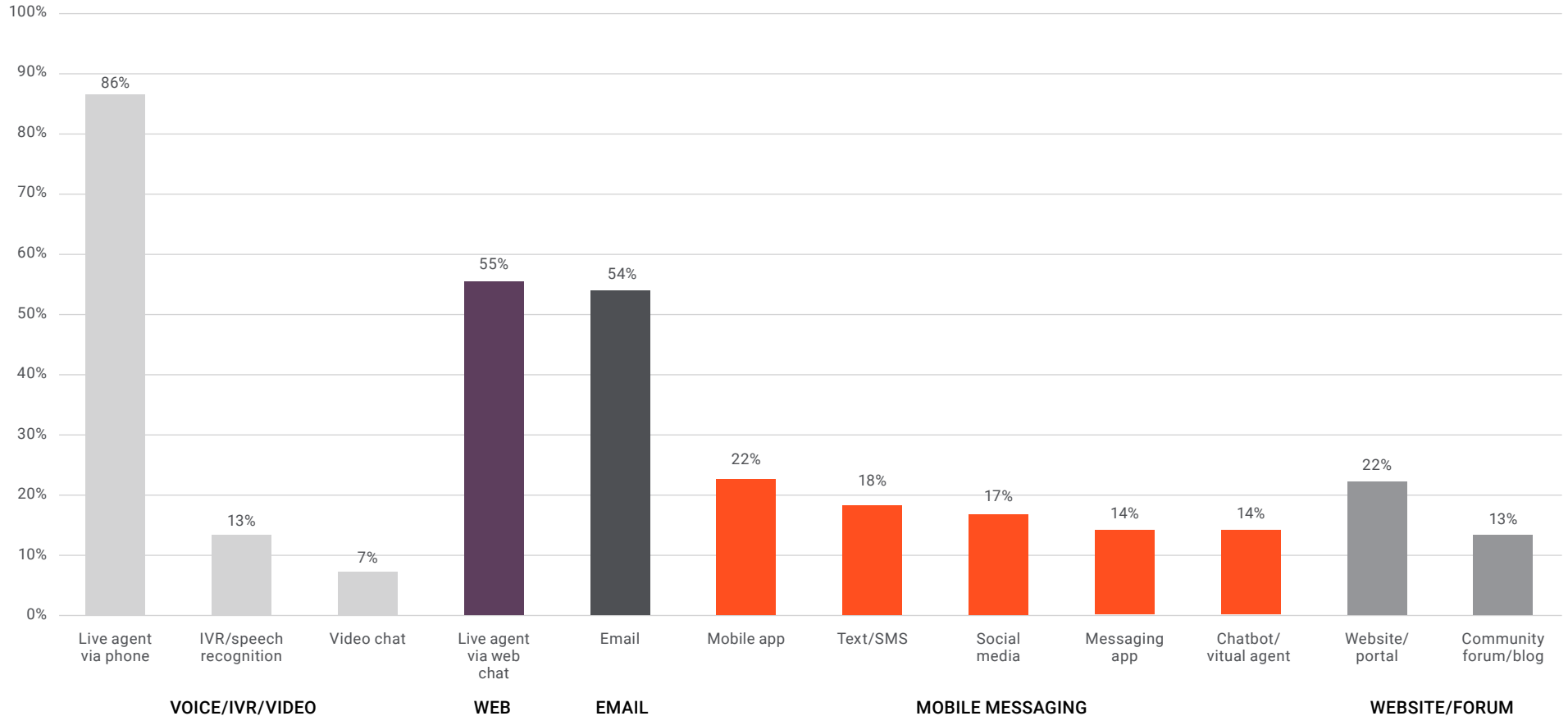


Phone, email, and website platforms are the most supported individual channels. Chatbot/virtual agent and video chat are the channels most likely to be implemented, but are also most likely to not be planned at all. Despite being a first generation, traditional technology, 14% still plan to implement email support.

Ready or not, here come the bots

While a live agent via phone remains most popular among responding consumers overall, mobile messaging channels receive consistent use across the board; over half of respondents utilise email and web chat with a live agent for support interactions.

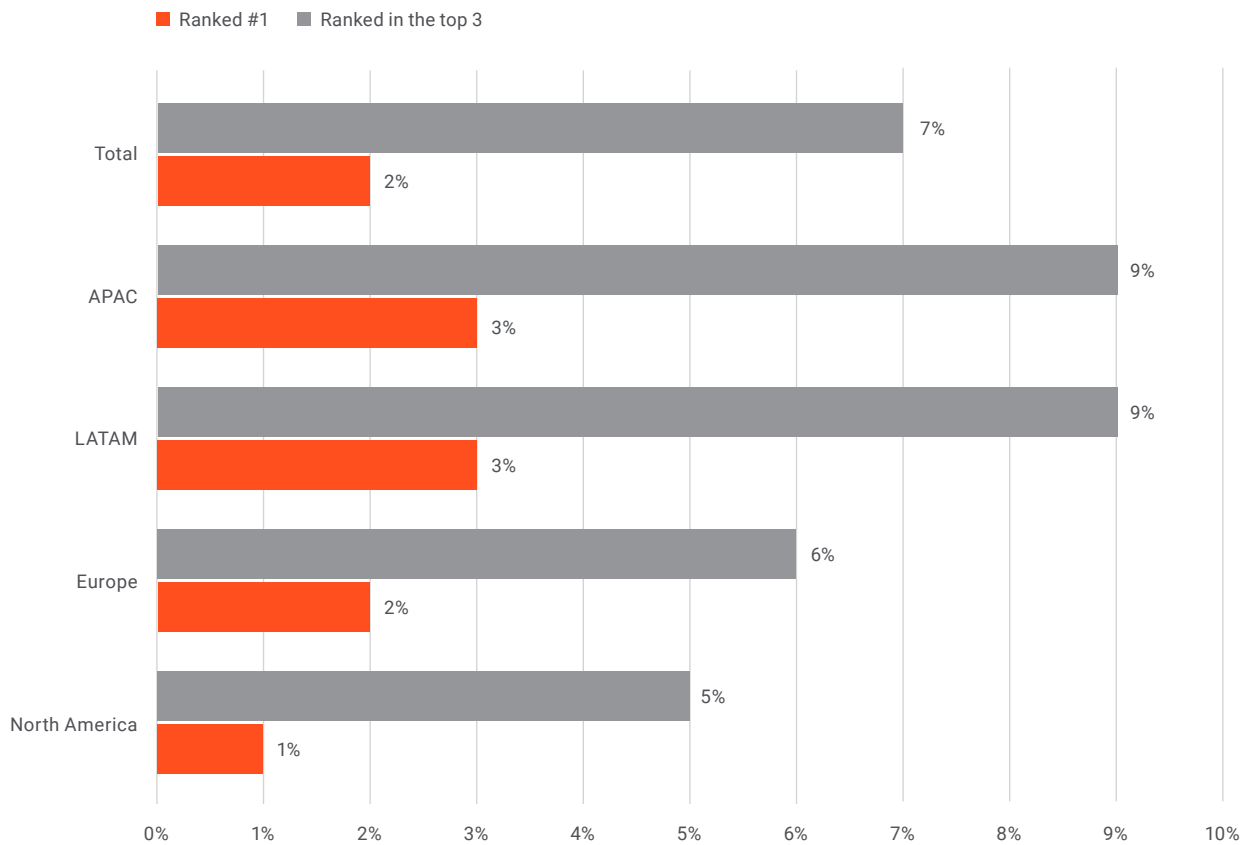
Customer Service/Support Channels Used (Consumers N=1893)



Ready or not, here come the bots

While chatbots/virtual agents hold great promise for the future, they are not preferred by consumers when compared with other communication options; only 7% ranked the channel as preferred, and only 2% preferred it most overall.

Consumers: Preference for chatbot/virtual agent among other communication methods for customer service/support



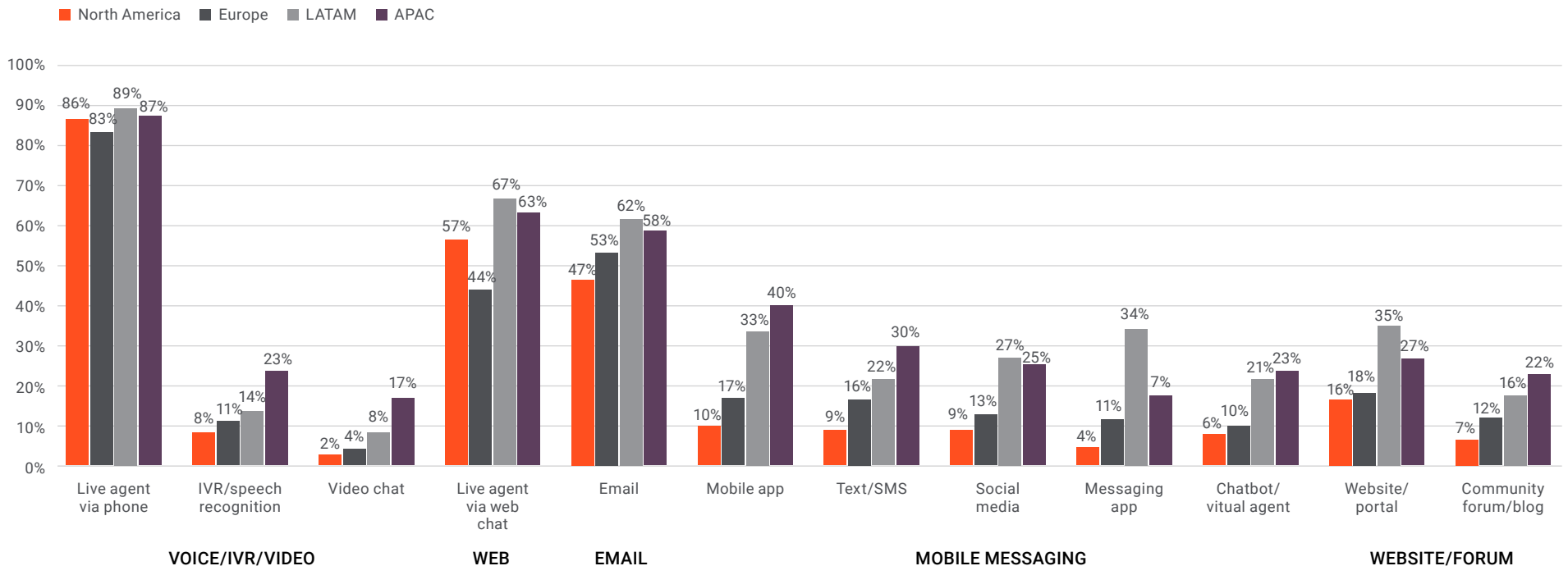
Ready or not, here come the bots

Emerging countries are more open to newer technologies, and bots are used most often in Latin America and Asia Pacific regions.

- A 22 percent increase in the use of bots is expected over the next six months.
- Millennials will use bots twice as much as consumers aged 35 to 54 and six times more than consumers aged 55 and over.

LATAM consumers far outdistance other regions' usage of mobile messaging channels, being twice as likely to use a messaging app (34% vs. 17%) for customer service/support than APAC respondents and eight times more than North American consumers (34% vs. 4%).

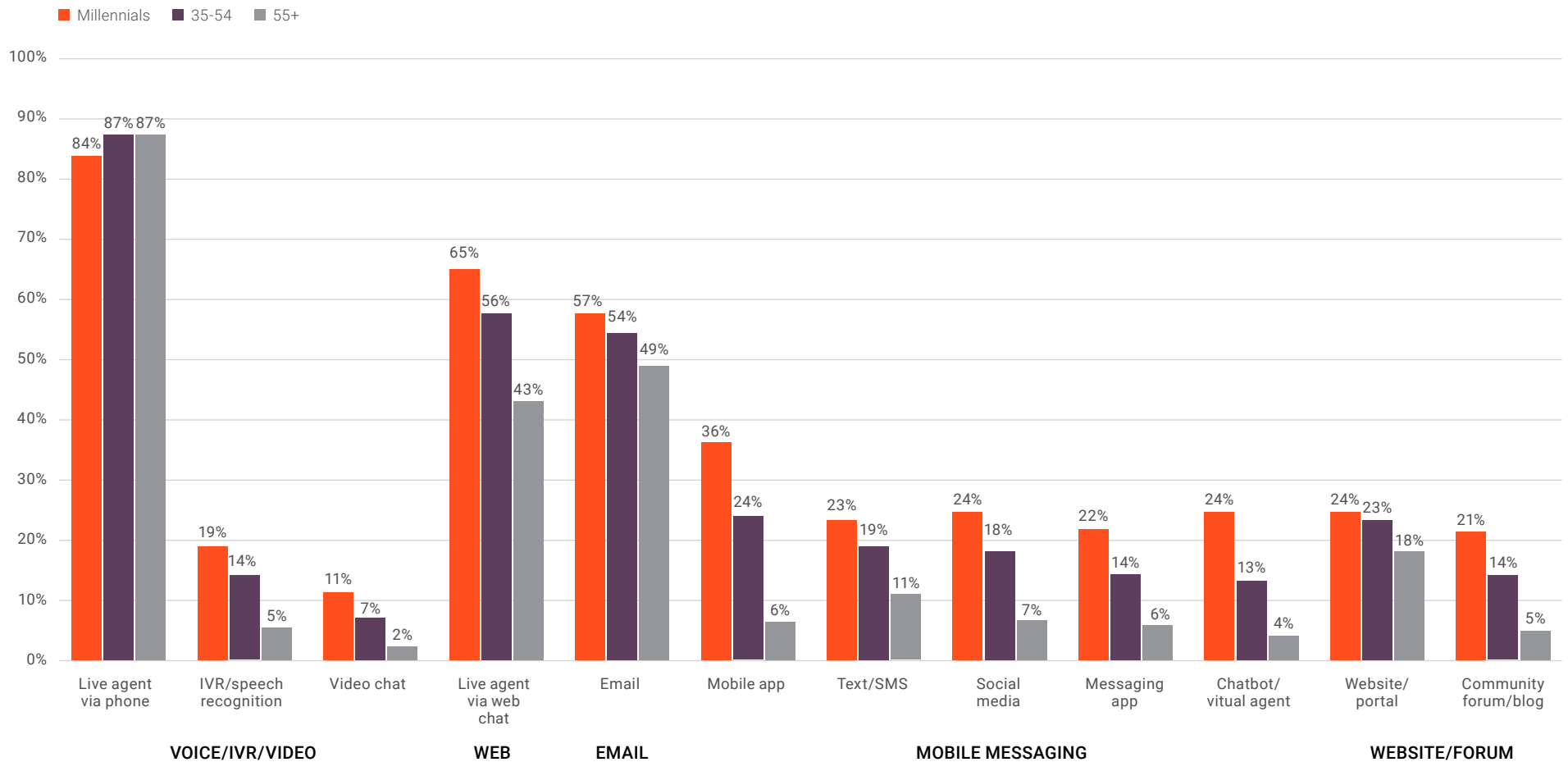
Contact channels—consumer use



Ready or not, here come the bots

Millennials are responsible for the vast majority of mobile messaging channel use; for customer service/support interactions, Millennials are **6 times more likely** to have used a **mobile app or a chatbot/virtual agent** than consumers aged 55 and over.

Contact channels—consumer use



Ready or not, here come the bots

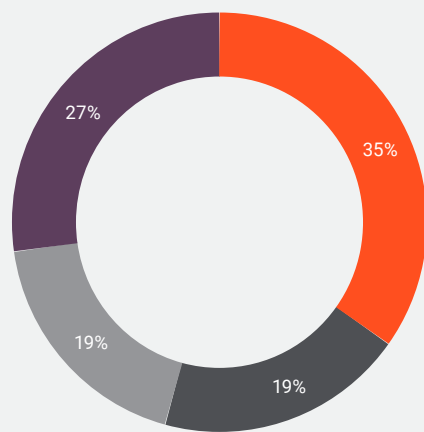
Respondents in most regions believe that bots will give agents more time to handle more complex issues.

- Still, 40 percent of respondents in Asia Pacific regions, mainly India, believe the use of bots will result in a reduced workforce.

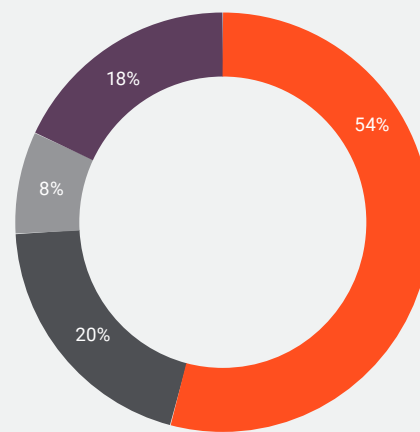
40% in APAC believe chat bots will result in loss of customer care headcount, and nearly half of customer care managers mostly believe that chat bots will create time for agents to handle more complex issues. Since consumers are interested in live, synchronous interactions when solving more complex problems, leaving easier customer support issues to chatbots will be beneficial for businesses and consumers as well.

Customer Care: Which of the following statements best represents your perception of chatbot/AI integration?

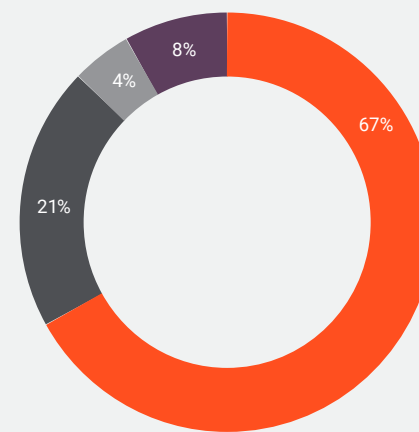
- Chatbots will free up agents' time to handle more complex and meaningful interactions
- Chatbots will cause a loss of customer service/support agent headcount
- There will be no change due to chatbot/AI integration
- Other/not sure



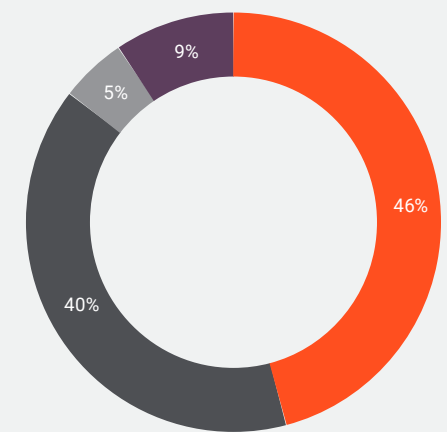
North America



Europe



Latin America



APAC

Ready or not, here come the bots

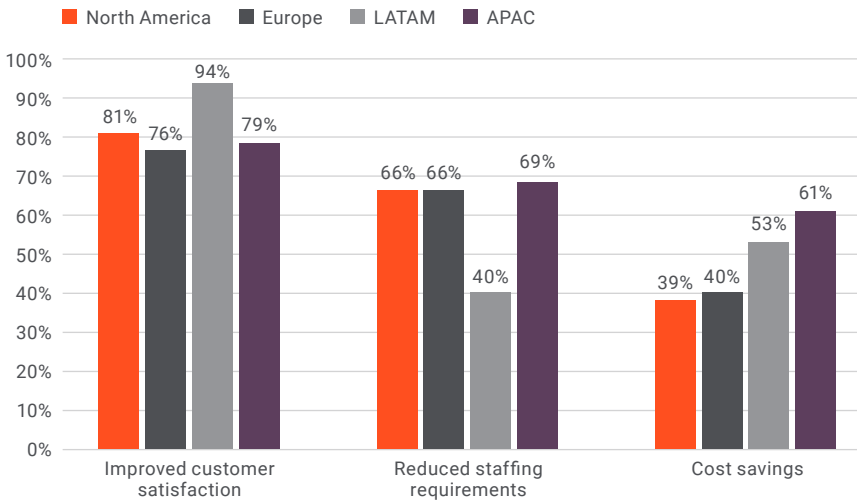
Businesses expect greater outcomes with bots.

- More than 80 percent of respondents in IT hope to see improved customer satisfaction from the use of bots.
- Sixty-two percent of respondents in IT hope to see staffing reductions. However, this differs from customer care, where only 27 percent of respondents believe that the use of bots will result in a loss of headcount.

Why it matters

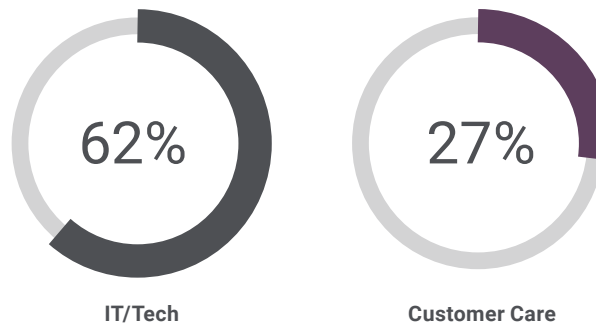
Costs continue to rise as businesses support additional channels with increasing demand, which is among the main reasons that they leverage automation. Advancements in Natural Language Understanding (NLU) and machine learning make AI technologies more attractive than ever before, as shown by the popularity and adoption of technologies such as Siri, Alexa and Google. One reason for this is because consumers believe it's easier to dictate a message than to type it out. Our lives are complicated, so we all look for ways to simplify our day-to-day engagements.

IT: What benefits are you hoping to achieve in regards to your chatbot/AI integration?



More than 80% in IT hope to see improved customer satisfaction by using chat bots. Another 62% hope to see reduced staffing, and 50% hope to see cost savings.

Chatbot/AI integration will result in reduced headcount/staffing requirements



62% of IT respondents believe chatbot/AI integration will result in reduced headcount compared with only 27% of Customer Care respondents.

The internet of things (IoT) transforms engagement



Deconstructing IoT for your industry

The internet of things isn't just about connecting devices to the internet. It's more transformative than that. And IoT will affect every industry in one way or another.

Imagine this scenario. Doug is a busy working dad. He travels a lot and doesn't have time to be "Mr. Fix It" at home. Because he has a smart home and smart appliances, he's notified immediately when there's a problem with any of his connected devices. Even while he's travelling, Doug is notified automatically and he can schedule repairs at his convenience. He's even had text conversations with bots while en route to a meeting, but didn't even realise it. To him, a business solved his problem. A new part ordered, a repair tech was scheduled—and it all happened seamlessly.

According to **McKinsey & Company**, the potential economic impact of the IoT could reach \$11 trillion per year in 2025, which is equivalent to about 11 percent of the world economy. To make that a reality, it all depends on the widespread and intelligent use of IoT data analytics.

IoT business benefits:

- Improved customer experience
- Improved employee engagement
- Improved business optimisation
- Influences buying or engagement decisions, such as cross-sell and upsell

Anatomy of IoT

Anatomy of IoT

- **Things** are objects in our world that are fitted with sensors.
- **Data** is information gathered from the device sensor.
- **Analytics** refer to the intelligent analysis of data.
- **Action** is when a business acts on the analytics.

IoT device examples:

- **Smart home:** thermostat, window and door locks, video security
- **Smart appliances:** refrigerators, washers and dryers, dishwashers and ovens
- **Wearables:** fitness devices, watches, glasses
- **Auto:** navigation systems, speed controls, automatic braking systems or collision avoidance systems

Examples of IoT customer engagement in the industry:

- **Automotive:** Predictive maintenance and safety, location- and usage-based services
- **Retail:** personalised mobile shopping, location-based offers and usage-based insurance
- **Healthcare:** proactive health checks and alerts, predictive device maintenance, and remote diagnostics with data analytics
- **Electronics:** predictive maintenance and remote diagnosis with data analytics

The opportunities for IoT and automated intelligence are endless.

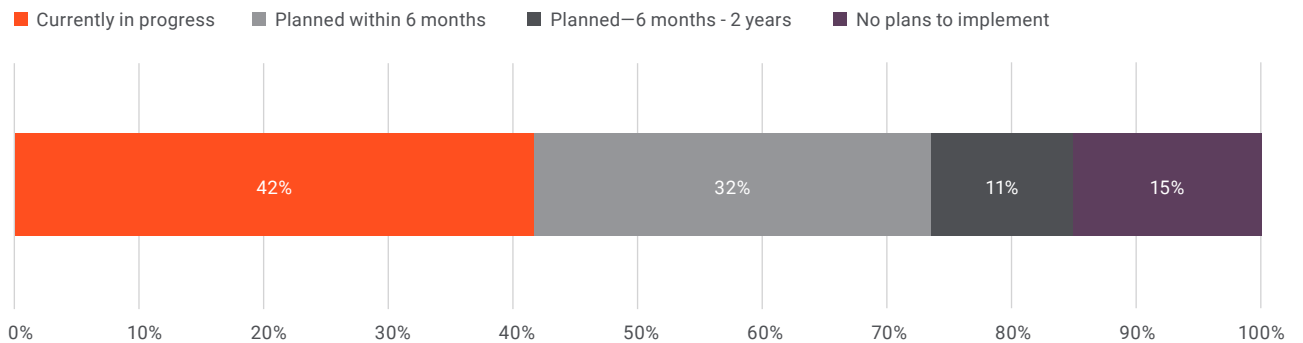
IoT and customer engagement

Consumers still search for value

When it comes to customer engagement, how do consumers really feel about devices that communicate on their behalf? And do these beliefs match up with business plans to use IoT devices?

- Forty-two percent of businesses indicate that they have projects in progress to build systems that communicate with IoT sensors and devices; another 32 percent of respondents have plans to do so within the next six months.
- Healthcare industries reported the highest planned IoT adoption at 61 percent.
- Only 19 percent of consumers are completely comfortable with having IoT devices communicate on their behalf. Nearly one-third are uncomfortable with the idea.
- Of consumers surveyed in Latin America regions, 36 percent are completely comfortable with IoT devices communicating on their behalf. Millennials are more comfortable with IoT devices than other age groups.

IT: Which of the following best describes your organisation's plans for building systems that allow sensors and devices (IoT) to communicate with your organisation?



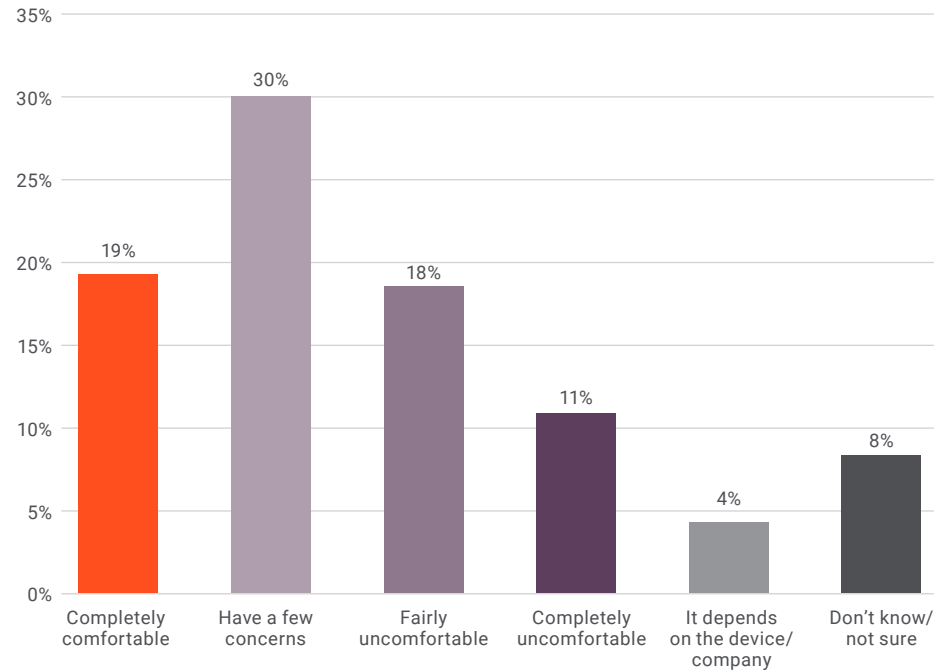
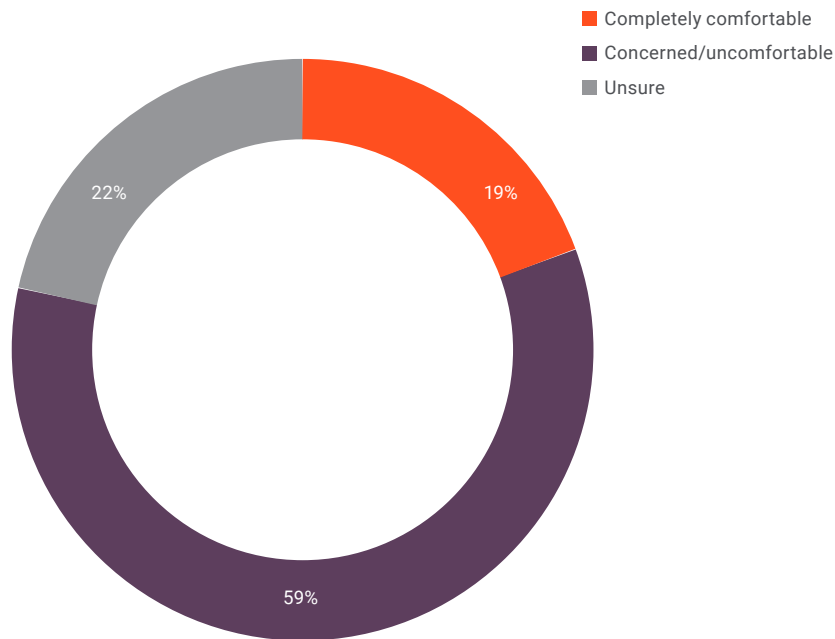
IT: Which of the following best describes your organisation's plans for building systems that allow sensors and devices (IoT) to communicate with your organisation?	Manu- facturing	Banking, Insurance	Business Services	Healthcare	Retail, Sales	Technology, IT	Telecom	Utilities, Public, Education
Currently in progress	40%	34%	17%	61%	39%	44%	53%	28%
Planned for implementation within 6 months	29%	38%	33%	26%	30%	32%	31%	44%
Planned for implementation between 6 months and 2 years	14%	9%	13%	6%	15%	12%	3%	4%
Not planned for implementation within 2 years	17%	19%	38%	6%	15%	12%	14%	24%

42% of businesses are in progress to build systems that communicate with customer IoT sensors and devices, and another 32% have plans to do so within the next 6 months. Yet, only 19% of consumers are completely comfortable with these IoT devices (including devices such as smart home, thermostat automation, security, appliance maintenance, smart car, etc.) communicating on their behalf. Healthcare respondents reported the highest adoption rate, and utilities reported the highest intent to support them in the future.

IoT and customer engagement

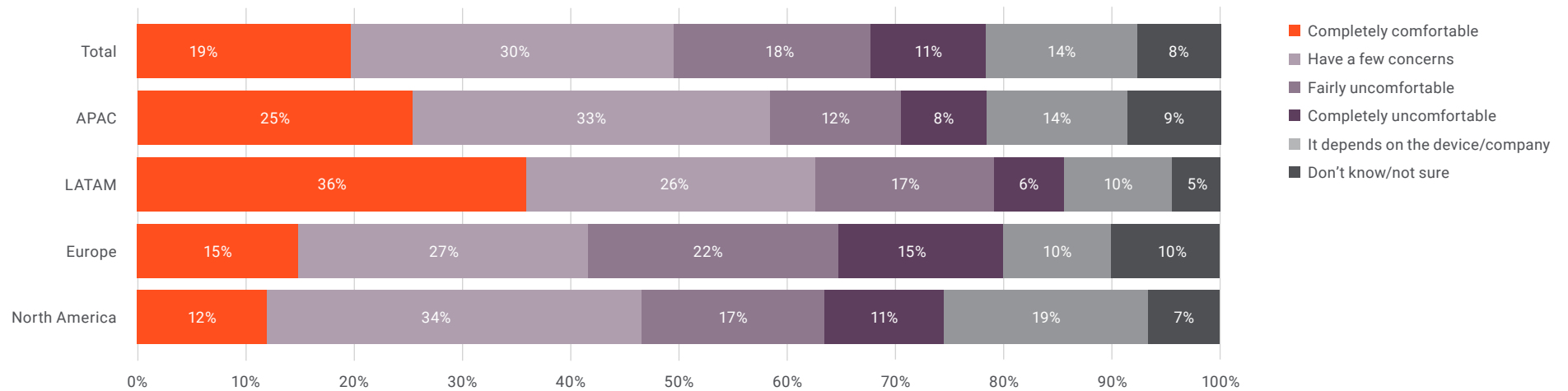
While only 19% of consumers were comfortable overall with devices communicating on their behalf, nearly a third are either fairly or completely uncomfortable with the idea, and only 8% aren't sure. It will be incumbent upon companies to increase consumer confidence in connected devices and sensors going forward.

Consumers: How do you feel about your IoT devices communicating on your behalf?

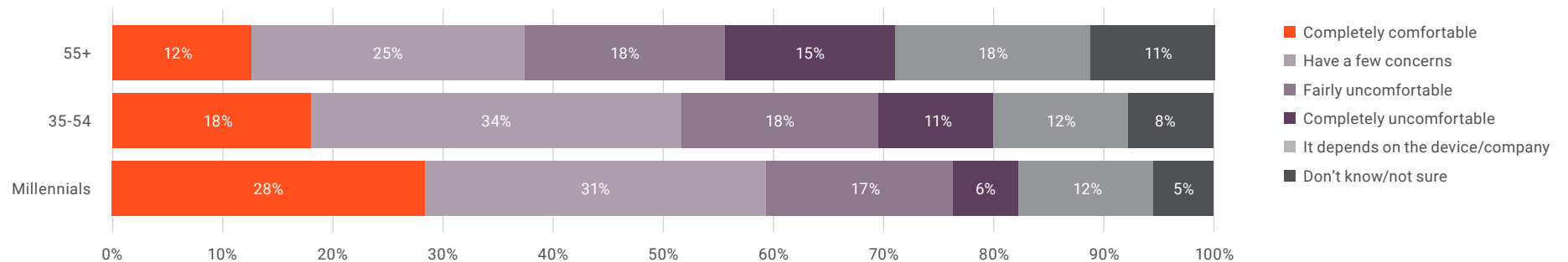


IoT and customer engagement

Consumers by Region: How do you feel about your device communicating on your behalf?



Consumers by Age: How do you feel about your device communicating on your behalf?



Why it matters

As businesses begin using more device sensors that initiate automated communications and tasks, it will be important to build customer confidence in newly automated systems. If the primary goal of the automated IoT system and process is to create efficiency and reduce costs, consider how it affects the overall customer experience. Be sure to demonstrate to customers how the new IoT process will solve their problems faster and more efficiently. And, as with any automated process, offer customers an out. Customers resent feeling trapped by automation. It's important to seamlessly blend intelligent automation with the power of human touch.



Where to start with automation

Ways to introduce bots and AI gradually

Basic: Focus on a quick win. An AI strategy doesn't have to be complex to realise the benefits. Start with a focused issue or repeatable task. Design a process that reduces costs and creates better efficiency. Examples include flight status, order status, balance enquiry and address capture. Ensure complete visibility, context and seamless transition to humans for complex issues.

Advanced: Layer in multiple bots, improve machine-learning capabilities and add human support at the right time in the customer journey to expand focus. Choose an open, flexible and scalable platform that enables working with native or third-party bots across channels. To improve customer experience, create a seamless transition between bots and humans while maintaining customer journey history and context. Start with emerging markets, such as Latin America or Asia Pacific, where adoption is higher and ties to business goals for better consumer and agent adoption and satisfaction.

Ways to introduce IoT

Define a problem statement: Understand the business objective. Consider existing pain points and develop use cases. Include the expected outcome and benefits— increased revenue, reduced costs or TCO, and improved customer experience. Even if reduced costs and lower TCO are the primary expected outcomes, always consider the effect to the customer experience and overall customer journey.

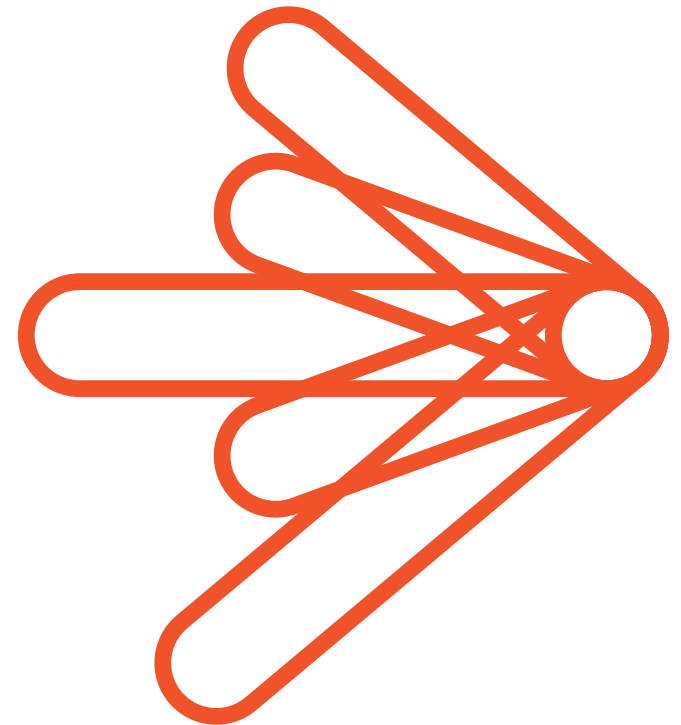
Compute ROI: Consider potential new revenue streams from cross-sell and upsell. Define operational efficiencies gained against the cost to deliver the new capabilities.

Invest in phases: Start small and fast. Identify quick wins that will get fast results and then move on to more complex workflows that involve multiple systems and teams. Build out a **maturity model** with defined use cases.

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Virtual reality

More of a reality than you thought

Virtual reality (VR) is not a new concept. Engineers and developers have been working on it since the 1990s. And while VR as a customer engagement channel is very new, applications that support use cases for the technology continue to emerge.

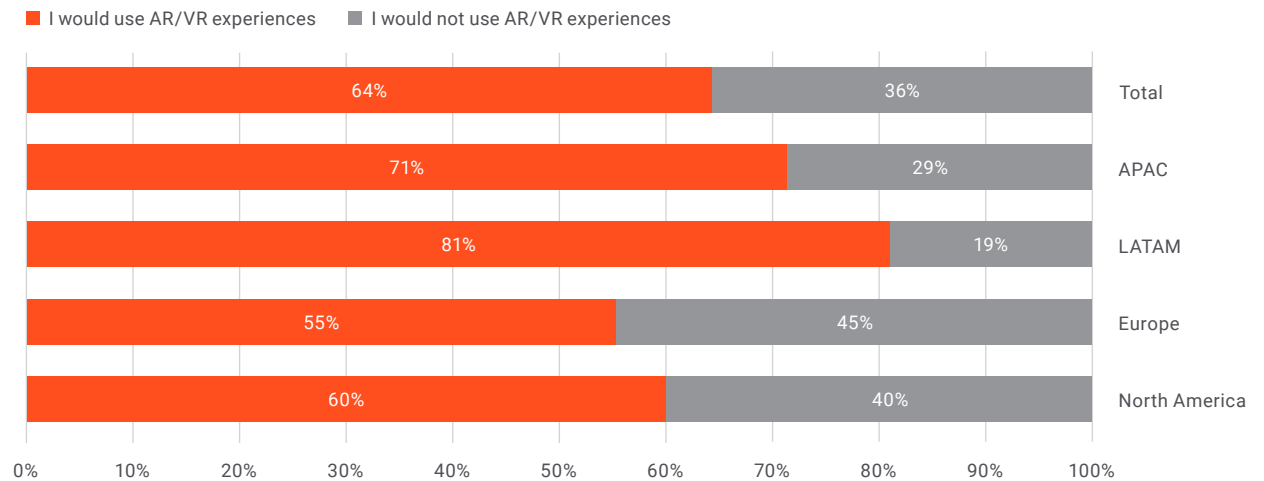
Virtual reality: More of a reality than you thought

As a customer engagement channel, video is not new. But its adoption for customer service and support hasn't reached mainstream yet. However, VR and augmented reality (AR) could change that. The generational shift—with millennials and digital natives using video daily to communicate with friends and family—will drive adoption of VR, AR and video as engagement channels.

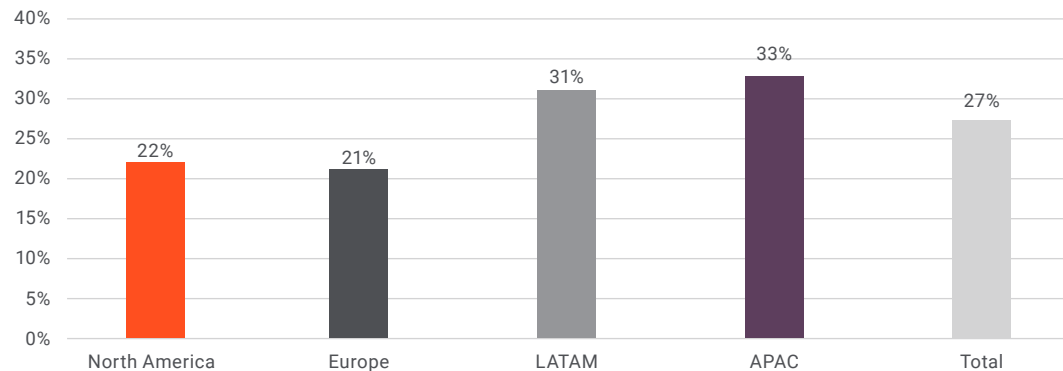
Results from the Genesys State of Customer Experience research indicate that more than half of consumers are willing to use video for customer service and support.

- Fifty-seven percent of consumers would use video to interact with customer service and support; that number rises to 80 percent in Latin America.
- Only 28 percent of businesses indicate they have plans to offer video as a customer engagement channel.

Consumers: How likely are you to use augmented or virtual reality experiences?



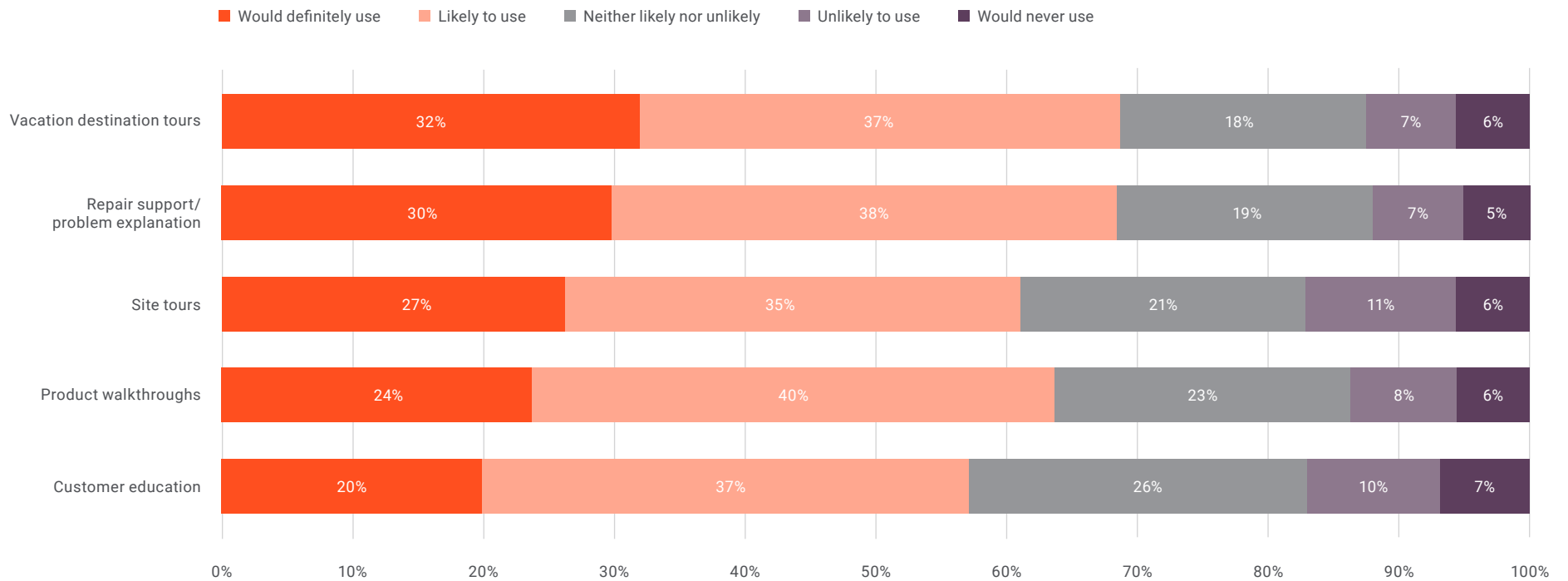
Businesses: Do you intend to offer augmented or virtual reality experiences to your customers?



64% of consumers would use augmented or virtual reality experiences and the number rises to 81% in LATAM. Yet only 27% of businesses have plans to offer AR/VR experiences.

Virtual reality: More of a reality than you thought

Consumers: How likely would you be to use the following virtual reality-based (or augmented reality-based) features?



The majority of consumers are likely to use any of the AR and VR features.

Virtual reality is on the move

Use cases solve complex and emerging problems

Once adopted, virtual reality can help solve some complex and emerging problems.

- **Give a customer tour:** There are several businesses where a video tour is a vital component in making a remote sale. Some use cases include commercial and private properties, university campuses, hospitality tours, custom home construction, luxury jet or yacht sales, or any large project at a remote location that requires frequent updates or where travel is too costly.
- **Demonstrate how to do something unique or complicated.** Not every task can be demonstrated using a collection of how-to videos. For example, complex product repairs often require a more involved demo. VR puts the expert in the driver's seat, enabling him or her to show the customer how to perform a task or repair firsthand and in real-time.
- **VR businesses need VR support.** Businesses that offer VR as a key component of their products and services need a way to connect to their customers. And basic phone or text support won't cut it when your main business focus is VR: support staff need the same view as the customer.

AR—adding cameras to the user's headset and blending virtual objects into the world around us—is the next step in customer experience.

- **Add AR support to products.** In this scenario, your printer could take you through the process of replacing print cartridges by pointing out the latches or showing a quick video on how to open and prep the parts.
- **Provide expert guidance from a customer's point of view.** With AR, you can see what your customers see—from their point of view (POV)—and respond to their questions in real-time. Using AR for customer guidance can greatly simplify tasks, such as repairs to appliances, vehicles and other machinery.

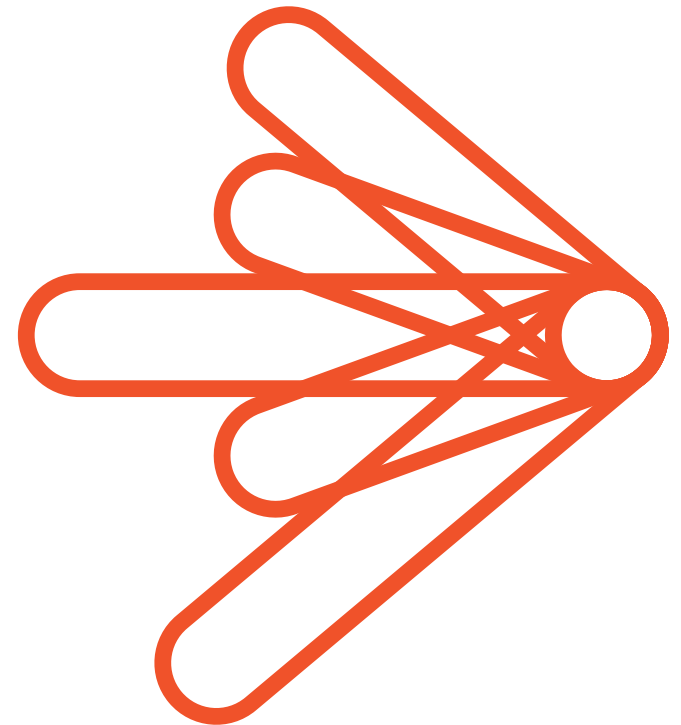
It's time to consider VR and AR for customer service or support.

To start, evaluate possible scenarios where you can use these rapidly expanding functionalities as disruptors in your industry. By 2018, smartphones will have this capability built-in. Consumer adoption and use could catch you unprepared.

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The benefits of cloud

Keep ahead of the competition

No one knows what the next big customer engagement capability will be, but being unable to keep pace with changes presents serious risks and can create dangerous missteps.

The benefits of cloud



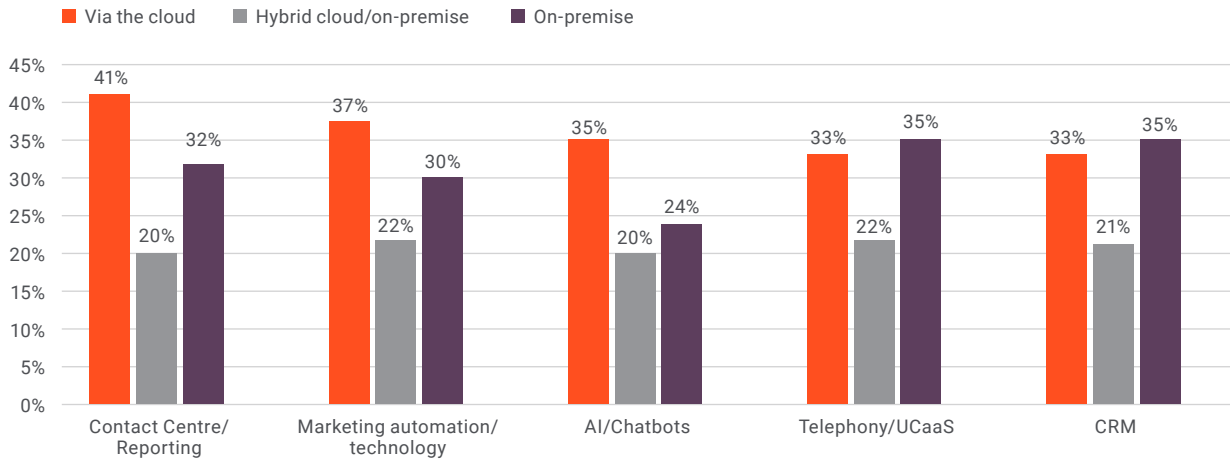
The cloud can help with its numerous benefits, including the ability to add capabilities that were once out of reach. Cloud also enables you to:

- Minimise the risk of becoming obsolete;
- Reduce upfront investments;
- Keep complexity at bay.

With predictable costs and the ability to continuously innovate with cloud, you stay at the top of your game and easily adjust as customer use patterns shift.

Cloud in the contact centre

IT: How are you currently delivering the following components of your customer care and marketing/sales infrastructure?



61% of IT respondents reported that their contact centre infrastructure is delivered via cloud or hybrid cloud.

IT: For each of the following, how has cloud deployment best helped your business become more agile?	Contact Centre/Reporting	Marketing automation/technology	AI/Chatbots	Telephony/UCaaS	CRM
Scale for seasonal bursts	32%	26%	22%	27%	24%
Add new capabilities/features faster	37%	36%	38%	31%	40%
Add new customer service channels faster	18%	22%	26%	24%	24%
Disaster recovery/business continuity	7%	9%	7%	9%	7%
Another reason not listed here	1%	3%	3%	3%	1%
Haven't noticed a significant change	4%	4%	2%	6%	4%

Who's using cloud and why?

Many businesses are using some form of cloud today—whether it's a full cloud deployment on a public or private cloud platform or customised hybrid deployment models.

The Genesys State of Customer Experience research indicates that:

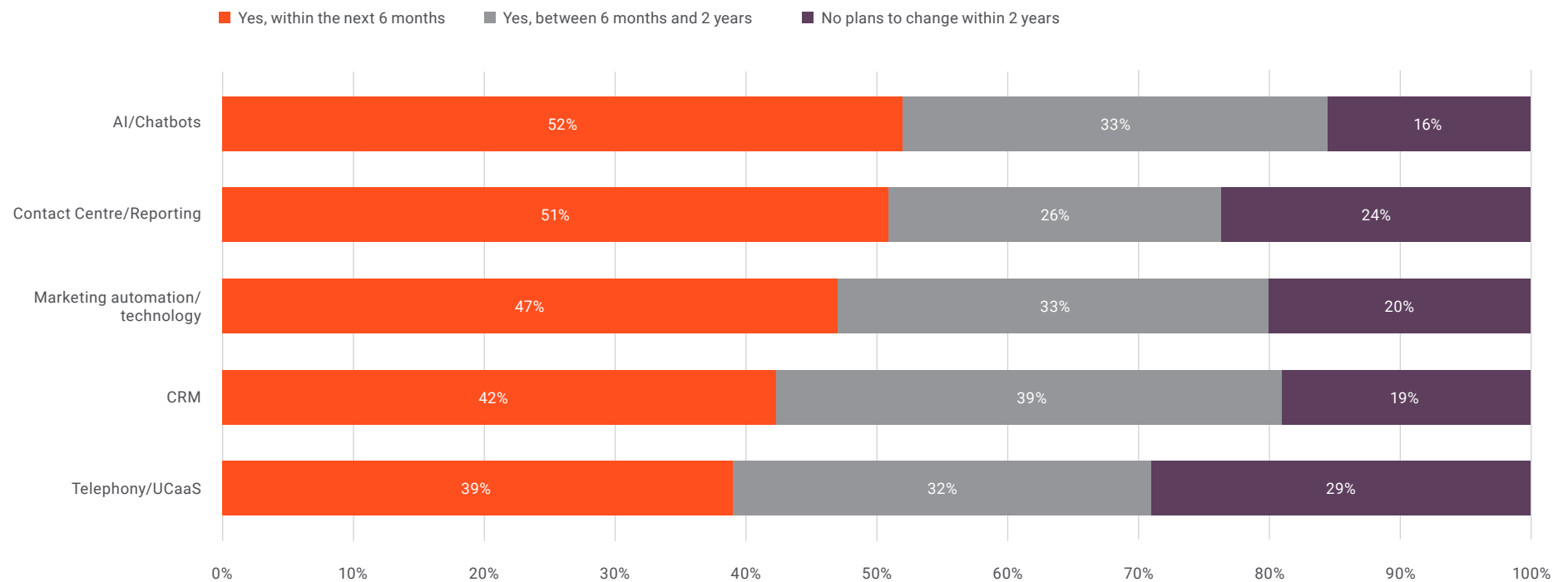
- Currently, 41 percent of IT respondents use cloud for their contact centre infrastructure.
- The ability to add new capabilities faster was the most common benefit of cloud deployment, followed by seasonable scalability.
- Within the next six months, 51 percent of respondents have plans to move their contact centre functions to a cloud deployment model.

The ability to add new contact centre capabilities faster was the most frequently mentioned benefit of cloud deployment, followed by seasonable scalability.

Cloud in the contact centre

Across the board, IT respondents reported plans to move many of their on-premise components to the cloud; two-thirds of respondents with on-premise analytics and reporting dashboards said they were likely to move them to the cloud in the upcoming 6 months, followed by AI/chatbots and marketing automation/technology.

IT/Tech: Do you have plans to change the delivery method of any of your on-premise components?



Not all clouds are created equal

When a cloud isn't really a cloud

Many vendors can say their application runs “in the cloud,” but this isn't always the full truth. There are significant differences between hosting a legacy, monolithic application in the cloud, hosting a multi-tier application in the cloud and running a system that can take full advantage of cloud scaling and resiliency.

A microservices architecture provides reliability and virtually unlimited scalability. Unlike the cumbersome interdependent components of legacy cloud solutions that had to be offline for updating, microservices scale instantly on demand, update automatically without downtime and provide fail-safe processing.

“The cloud and microservices are not a new transport, it's inventing a new wheel.”

Glenn Nethercutt, Chief Architect, Genesys



To cloud or not to cloud

Weigh the pros and cons of cloud

There are many considerations in deciding whether to move your customer experience to the cloud. This table shows some key considerations for deciding which infrastructure approach will provide the best results for your business.

Going cloud	Staying on-premise
Operational expense instead of capital expense	Capital expense already made, justify existing equipment
Security through multiple levels of encryption, continuous testing, multi-region and zone failovers	Security through separation of systems, site security, NOC personnel
Continuous deployment of updates, no downtime	Controlled updates, but also disruption during updates
More features released faster, small changes reduce the need to retrain staff	Consistency most important, delay the release of new features
Scales to run huge jobs instantly, no delays for users	Batch updates occur at night during lockouts, data is synced once a day
Subscription model pricing to add or remove people, as needed, for systems	Large upfront bill, plus ongoing maintenance fees, need to re-engage sales to add people
Access systems from anywhere, anytime	Use onsite access for security, additional costs and security needed to access systems externally
Integrate features into tools—wherever people need them	Alt-tabbing between separate tools with separate searches and contexts
Everything you need resides in Chromebook and a headset	Phone networks, offices, desks, data centres, security and lead times to expand your system
IT works on new projects and integrations, ensures broadband access. Teams manage most of their own admin in-app	IT manages servers, network, updates and administers all changes

Put cloud on your to-do list



Cloud-proof to future-proof your customer experience

You need a **cloud strategy**. Even if your company is committed to on-premise data centres, more systems are moving to the cloud every day. If you want to maintain control over all your applications in-house, your options for implementing competitive technologies like artificial intelligence (AI) will narrow over time. However, hybrid cloud, which mixes on-premise tools with cloud applications, offers a valid option—if you understand the all associated issues and plan for changes.

Customer experience isn't easy: Let us help

Attend a free, fast-track customer experience workshop.

Get started with a free, no obligation, onsite customer experience assessment workshop, which reveals what's possible in a Genesys-enabled world. Our consultants map those possibilities to your specific business and customer experience objectives, and identify what you need to do to reach those goals. The outcome will be a strategy that propels your current and future customer experience success.

