The UK Customer Experience Decision-Makers' Guide 2019-20

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The 2019-20 UK Customer Experience Decision-Makers' Guide

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INTRODUCTION AND METHODOLOGY

The *"UK CX Decision-Makers' Guide (2019-20 – 2nd edition)"* is a major annual report studying the CX strategy, performance, operations and technology aspects of UK organisations.

Taking a random sample of the industry, a detailed structured questionnaire was answered by 233 senior CX and customer contact professionals between April and June 2019. Analysis of the results was carried out in June 2019. Additionally, a survey of 1,000 UK consumers was carried out in June 2019 in order to understand their attitudes to elements of businesses' CX programmes.

SEGMENTATIONS

Looking at top-line figures for CX statistics is only so useful. Only with a clear understanding of how and why metrics differ between operations can readers see where they stand compared to their competitors.

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

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

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

Survey respondents by vertical market (count and percentage)

- Other (not used in vertical analysis), 6, 3%
- Utilities, 8, 3%
- Transport & Travel, 8, 3%
- Technology, Media & Telecoms (TMT), 25, 11%
- Services, 35, 15%
- Retail & Distribution, 22, 9%
- Public Sector, 29, 13%
- Outsourcing, 18, 8%
- Manufacturing, 14, 6%
- Insurance, 17, 7%
- Housing, 23, 10%
- Finance, 28, 12%
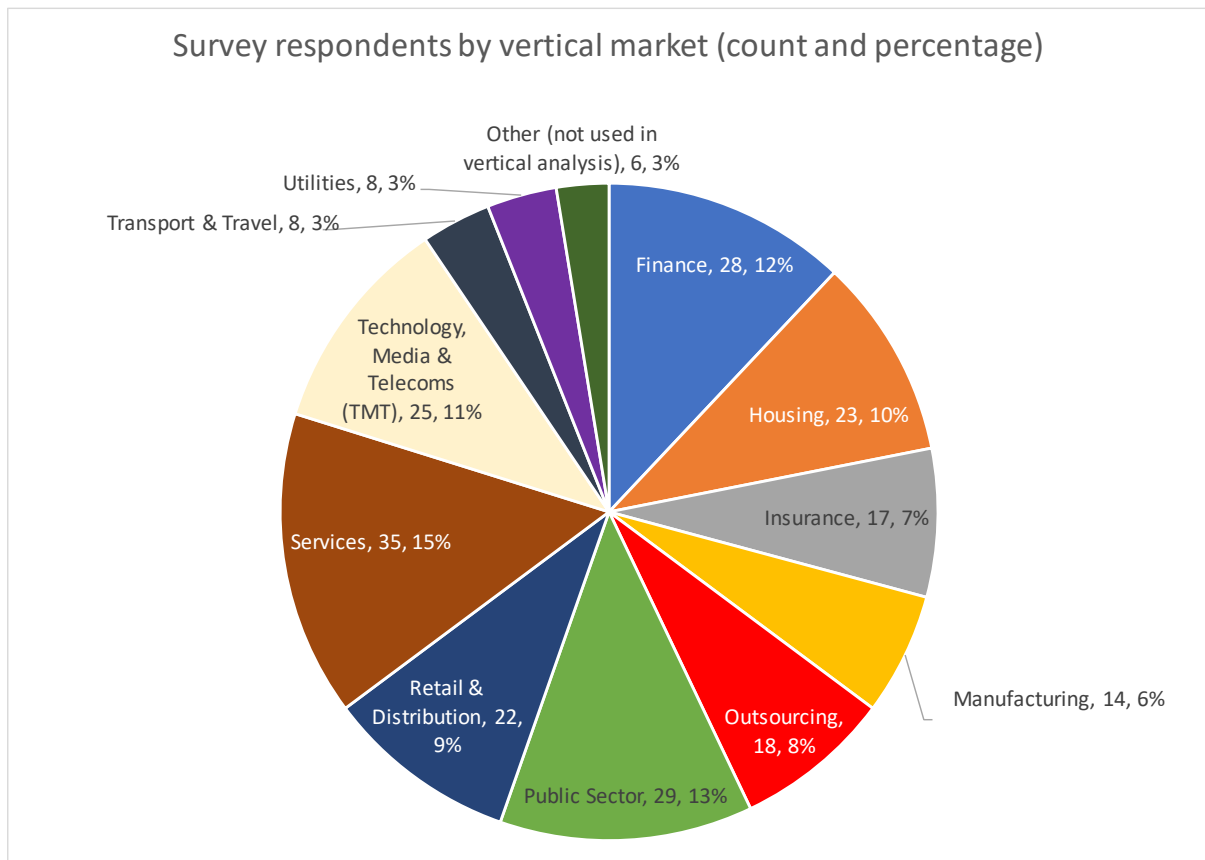
Figure 2: Survey respondents by B2B / B2C (count and percentage)

Survey respondents by B2B / B2C (count and percentage)

Not stated, 20, 8%

B2B, 83, 36%

B2C, 130, 56%
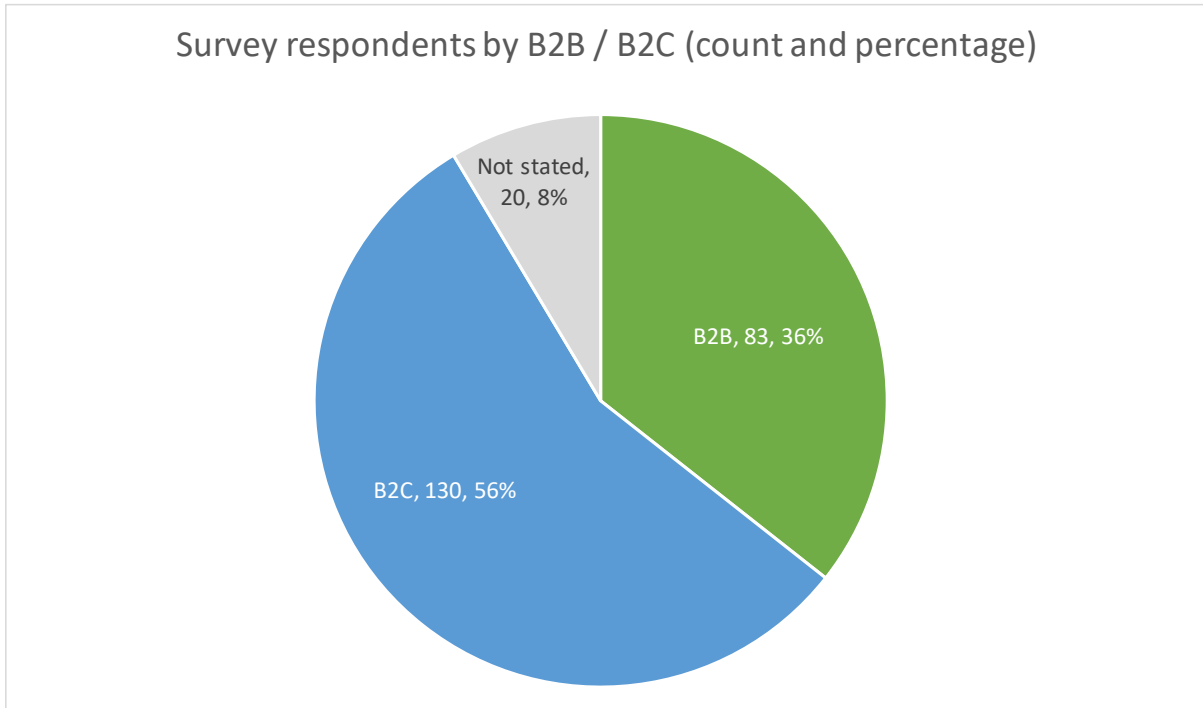
Figure 3: Survey respondents by contact centre size (count and percentage)

Survey respondents by contact centre size (count and percentage)

No contact centre, 16, 7%

Not stated, 2, 1%

Small (50 seats or fewer), 52, 22%

Large (over 200 seats), 71, 30%

Medium (51-200 seats), 92, 40%

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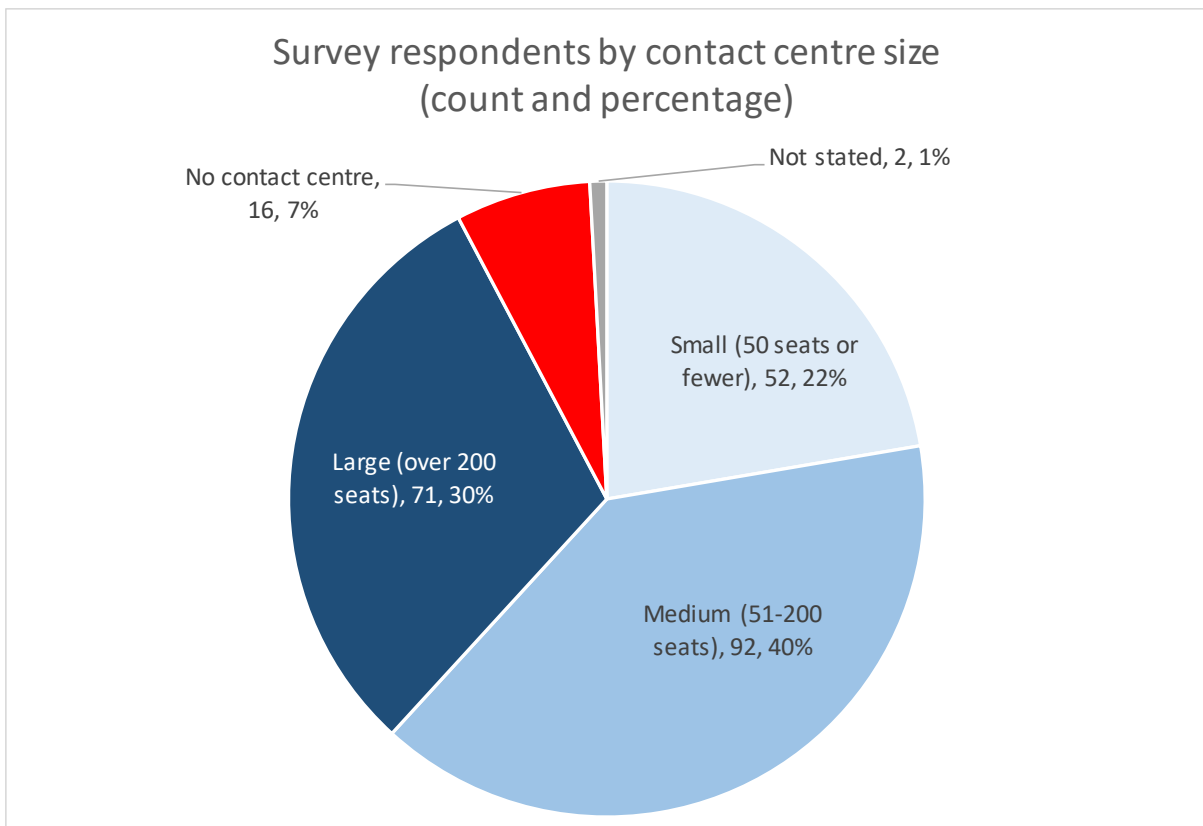
Survey respondents by annual revenue (count and percentage)

Not stated, 2, 1%

<£1m, 14, 6%

£1m-£10m, 27, 11%

N/A (not a commercial organisation), 39, 17%

£10m-£100m, 47, 20%

£1bn+, 42, 18%

£100m-£1bn, 62, 27%
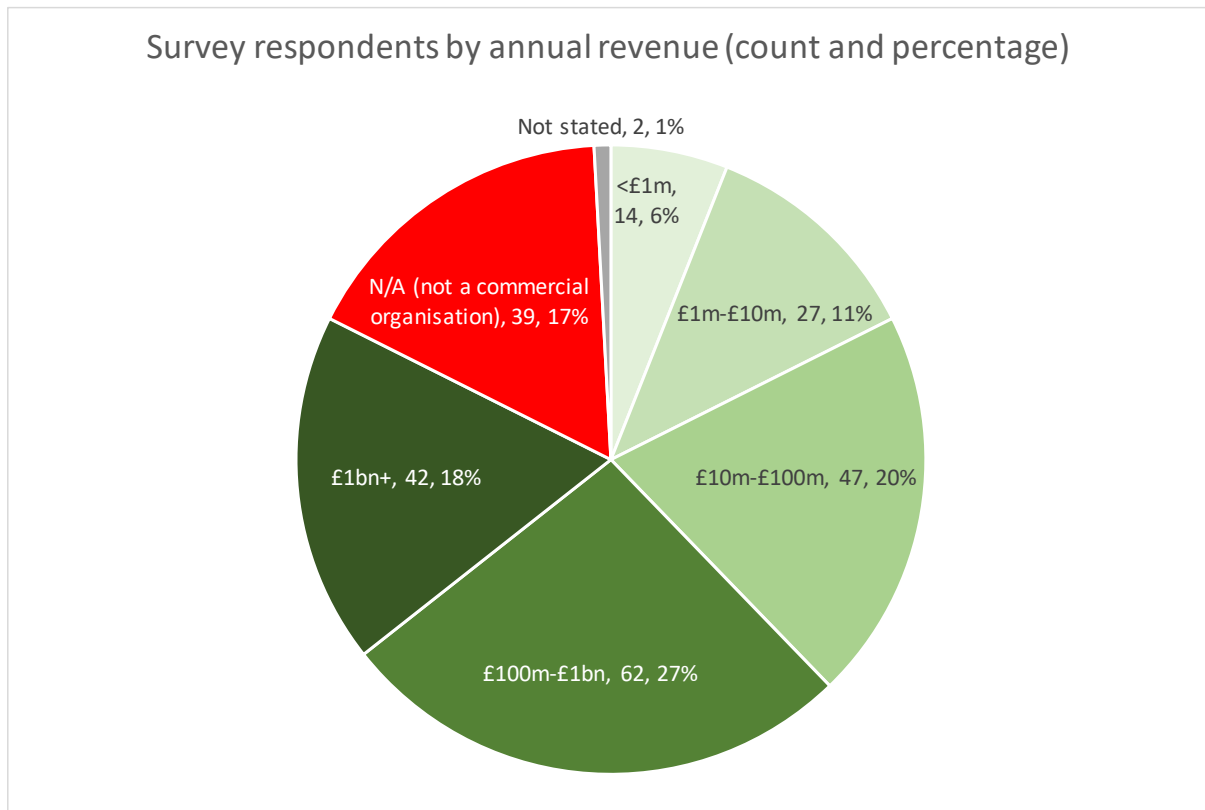
Survey respondents by number of customers (count and percentage)
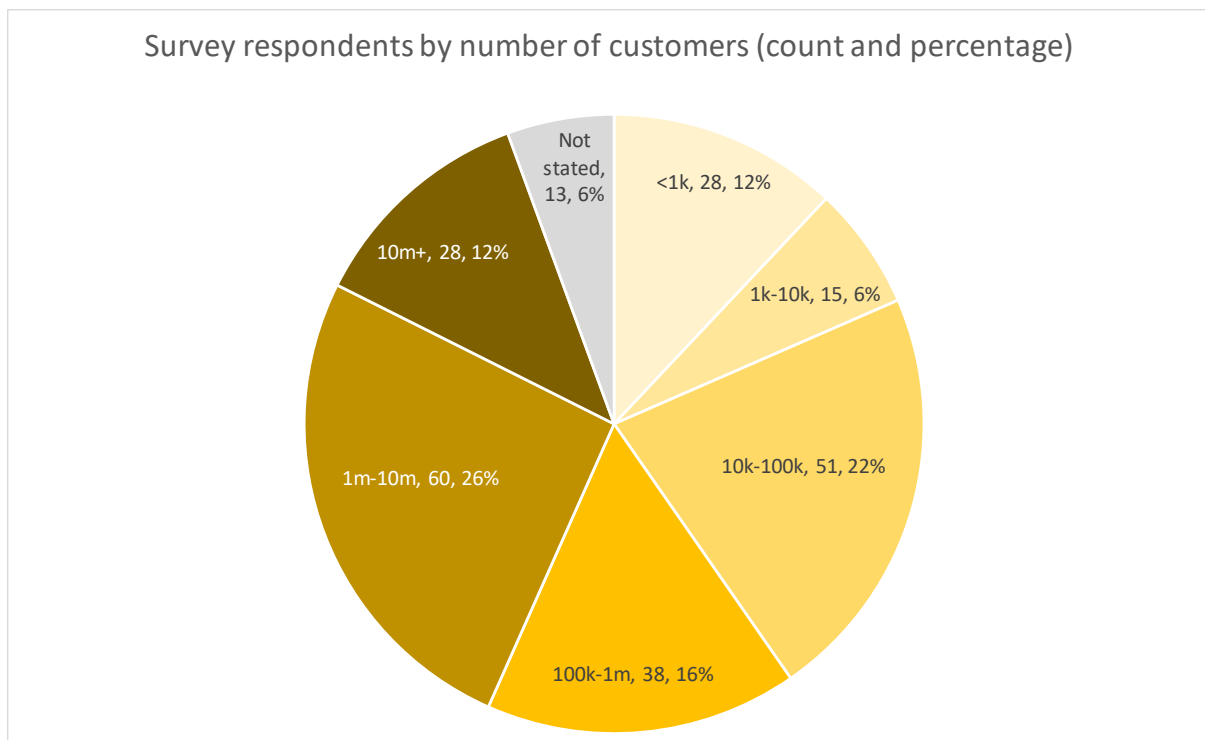
Not stated, 13, 6%

<1k, 28, 12%

10m+, 28, 12%

1k-10k, 15, 6%

1m-10m, 60, 26%

10k-100k, 51, 22%

100k-1m, 38, 16%

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

In the past, the majority of a business's focus was upon the matters that it had a large measure of control over, such as managing the internal cost of production and service provision, employee salaries, price setting and sales resource allocation. The increasing use of technology in almost every part of an organisation has created an unprecedented amount of data that may be analysed. At the same time, large-scale advertising and widespread use of the Internet has made customers more aware than ever of alternative products and services that they can buy, meaning greater price competition.

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

Figure 6: Importance of the factors on which your organisation competes (ranked) - B2B

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

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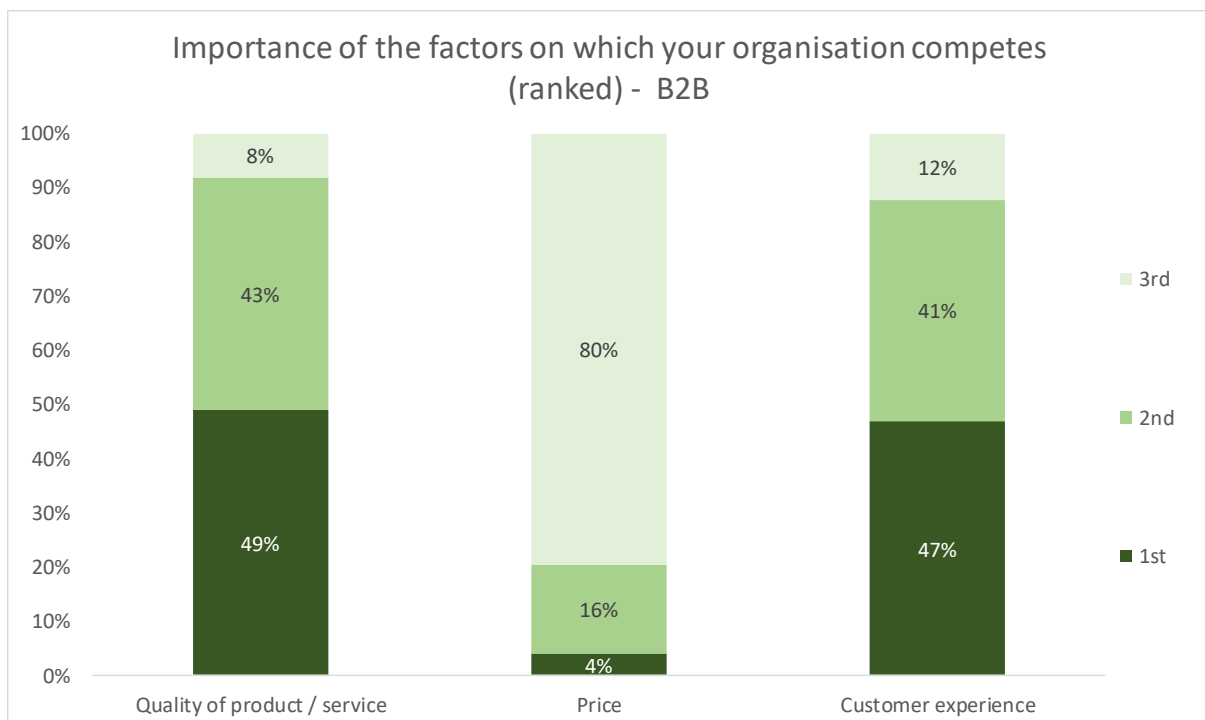
Survey respondents were asked how their organisation competed, ranking three factors in order of importance: quality, price and customer experience.

As competition on price tends to mean lower profit margins for all of the companies in that sector, it is unsurprising that only 4% of B2B respondents placed this factor in first place. 26% of B2C companies stated that their organisation competed primarily on price, and this can be explained by the generally greater price sensitivity amongst consumers rather than businesses.

49% of B2B organisations, and 40% of B2C respondents stated that their primary competitive factor was quality. Interestingly, almost half of B2B respondents stated that customer experience was their primary means of gaining competitive advantage.

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

Figure 7: Importance of the factors on which your organisation competes (ranked) - B2C

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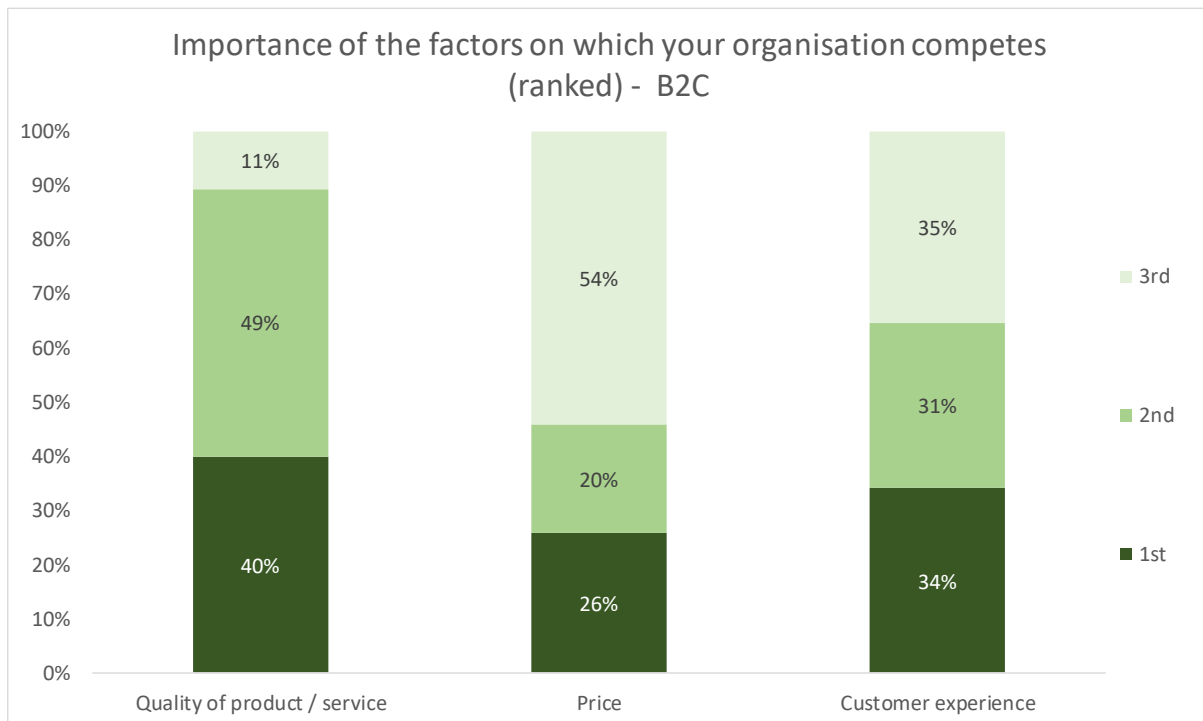
It is important to bear in mind that due to the increased segmentation of data, sample sizes for each vertical market are considerably smaller than those in the previous B2B/B2C analysis. However, it is interesting to speculate how the nature of the actual business may impact upon competitive differentiators.

65% of public sector respondents stated that customer experience is their key competitive differentiator: in this sector, 'quality' is often an intangible concept, and cost is often irrelevant, as ant product or service is either free, or will lack an alternative supplier. The outsourcing sector also wishes to compete on customer experience rather than cost, due to the importance of maintaining its profit margins.

At the opposite end of the scale, manufacturing respondents state that they try to differentiate on the quality of the product, with B2B sales often being less price-sensitive than those in the B2C sector.

Figure 8: Most important factor on which your organisation competes, by vertical market
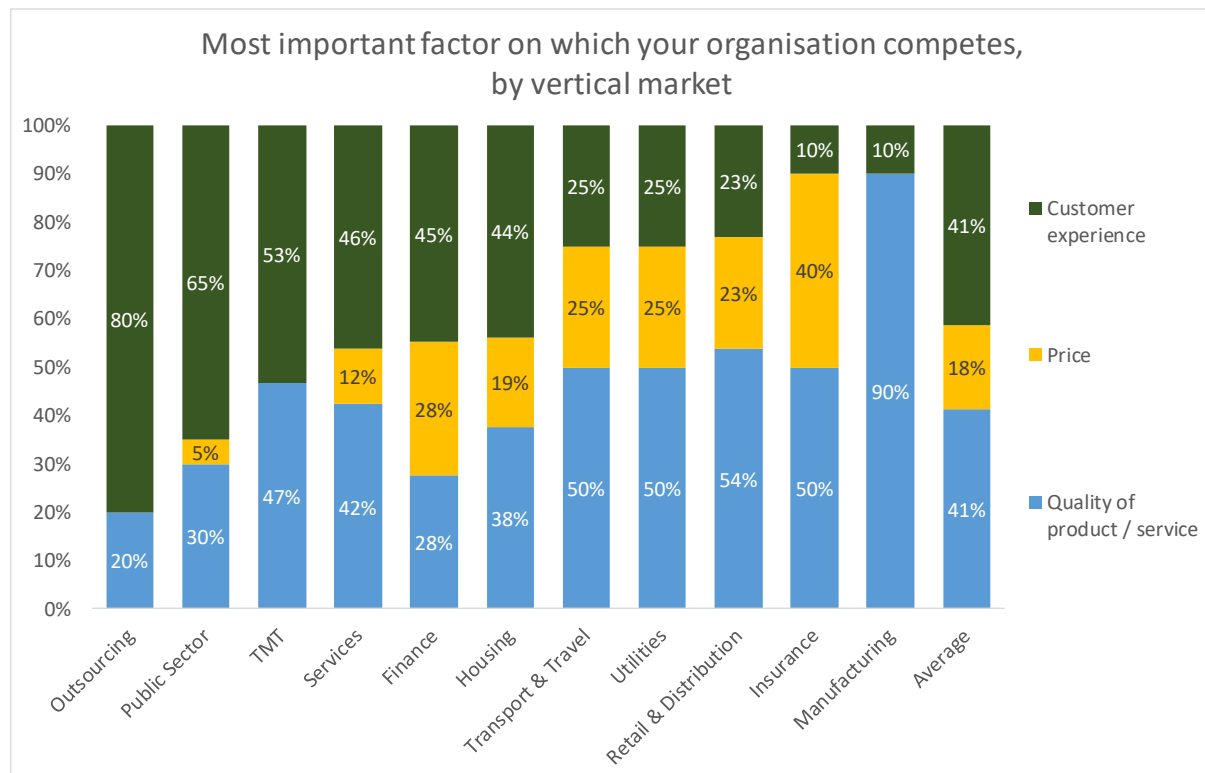
The retail & distribution sector competes more frequently on price, particularly in low-cost, commoditised products that make up the bulk of many retailers' sales. A successful model of internet-based retail relies upon self-service, and although this is an important part of the overall customer experience, many consumers will visit the site in the first place looking for the lowest price for a product that they have already decided to purchase. The insurance sector, which is also a commoditised industry due to the prevalence of cost-comparison sites, also widely competes on price.

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

CX GOVERNANCE

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

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

Figure 9: Level of highest CX professional in the organisation, by company revenue

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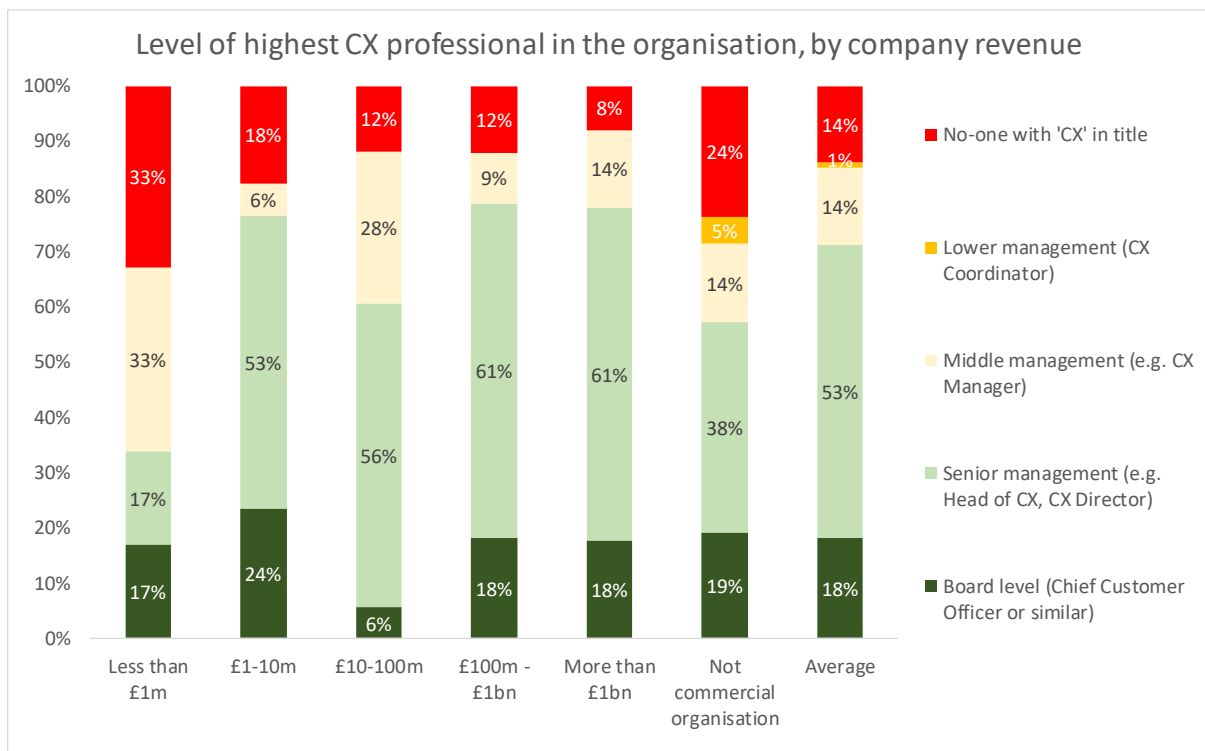
In order to get a better understanding of how the role of customer experience management is seen within an organisation, the question was asked to survey respondents that had dedicated customer experience management professionals, to whom within the organisation that person directly reported.

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

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

Figure 10: If applicable, who does the most senior CX professional report to? (by revenue)
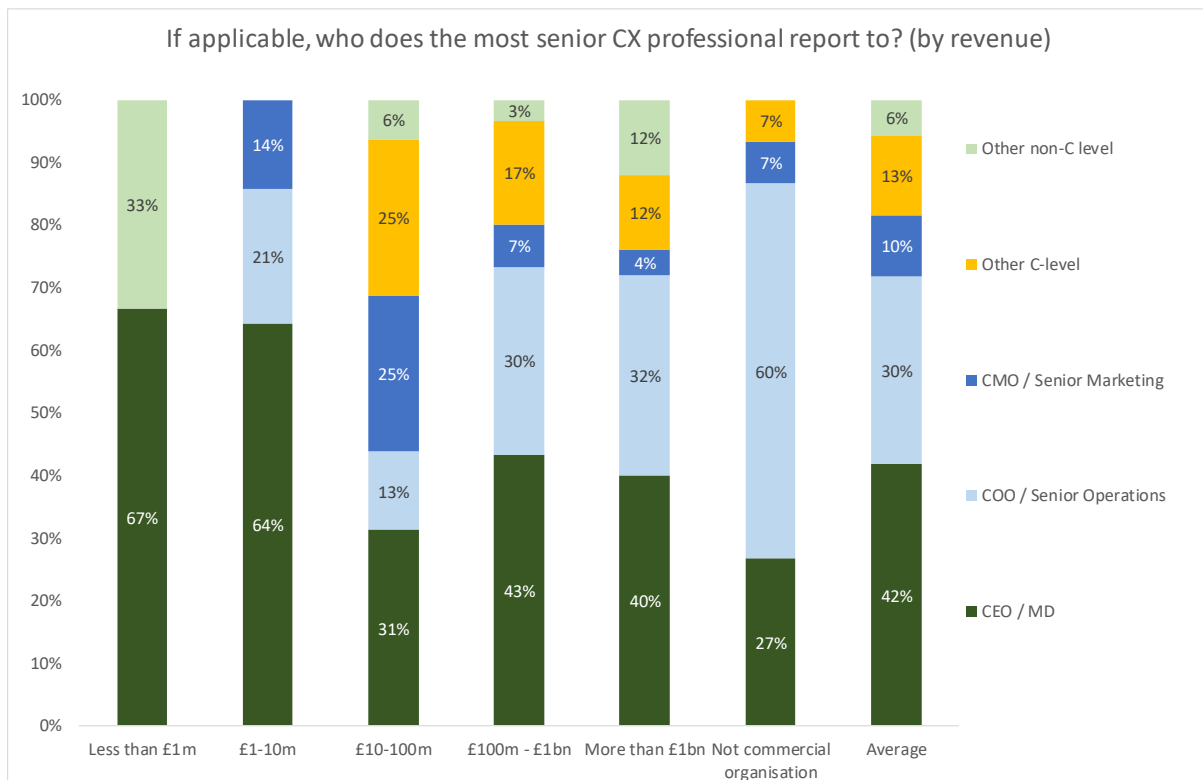
MAIN AIMS OF THE CX IMPROVEMENT PROGRAMME

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

- to increase customer retention rates and loyalty

- to reduce the cost of serving the customer

- to increase the number of customers they had

- through cross-selling and upselling, to increase the revenue per customer.

65% of respondents placed increase customer retention rates in the first or second position, suggesting that one of the long established aims of CRM - customer loyalty - is a major target for most companies' customer experience programmes.

Figure 11: What are the main aims of your CX improvement programme?

What are the main aims of your CX improvement programme?

	Lower customer service cost	Increased customer retention rates	More new customers	Higher cross-sell and upsell rates
4th	25%	10%	22%	43%
3rd	19%	25%	33%	24%
2nd	16%	32%	27%	25%
1st	40%	33%	19%	8%
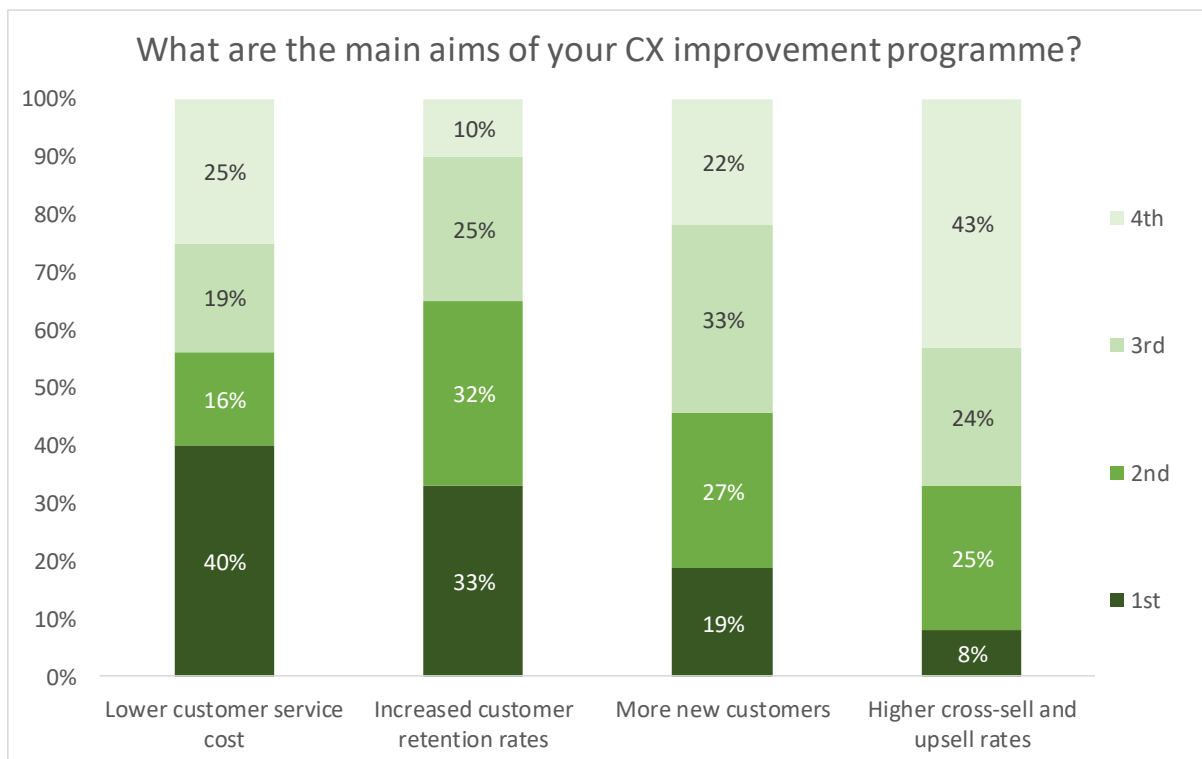
While caution should be applied when looking at the vertical market figures below (due to the relatively small sample sizes in some of the sectors), there are a few interesting conclusions that can be drawn.

The majority of insurance respondents surveyed stated that the most important aim of the customer experience improvement programme was to improve customer retention rates. In a highly competitive sector where product differentiation is not easy, the ability to sell products to the same customer year-on-year is paramount.

Closely linked to customer retention, cross-sell and upsell rates are seen as the aim for the majority of manufacturing and outsourcing respondents.

The public sector, as a generally non-commercial vertical market, focuses CX improvements on reducing the cost of service without lowering quality, often through self-service options.

Figure 12: Most important aim of CX improvement programme, by vertical market

Most important aim of CX improvement programme, by vertical market

	Increased customer retention rates	Higher cross-sell and upsell rates	More new customers	Lower customer service cost
Average	34%	8%	20%	39%
Public Sector		6%		94%
Outsourcing	17%	67%	17%	
Housing	22%			78%
Manufacturing	25%	75%		
Retail & Distribution	29%		36%	36%
Utilities	30%			70%
Services	38%	3%	41%	19%
Finance	46%		21%	32%
TMT	50%	19%	13%	19%
Insurance	56%		11%	33%
Transport & Travel	67%		33%	
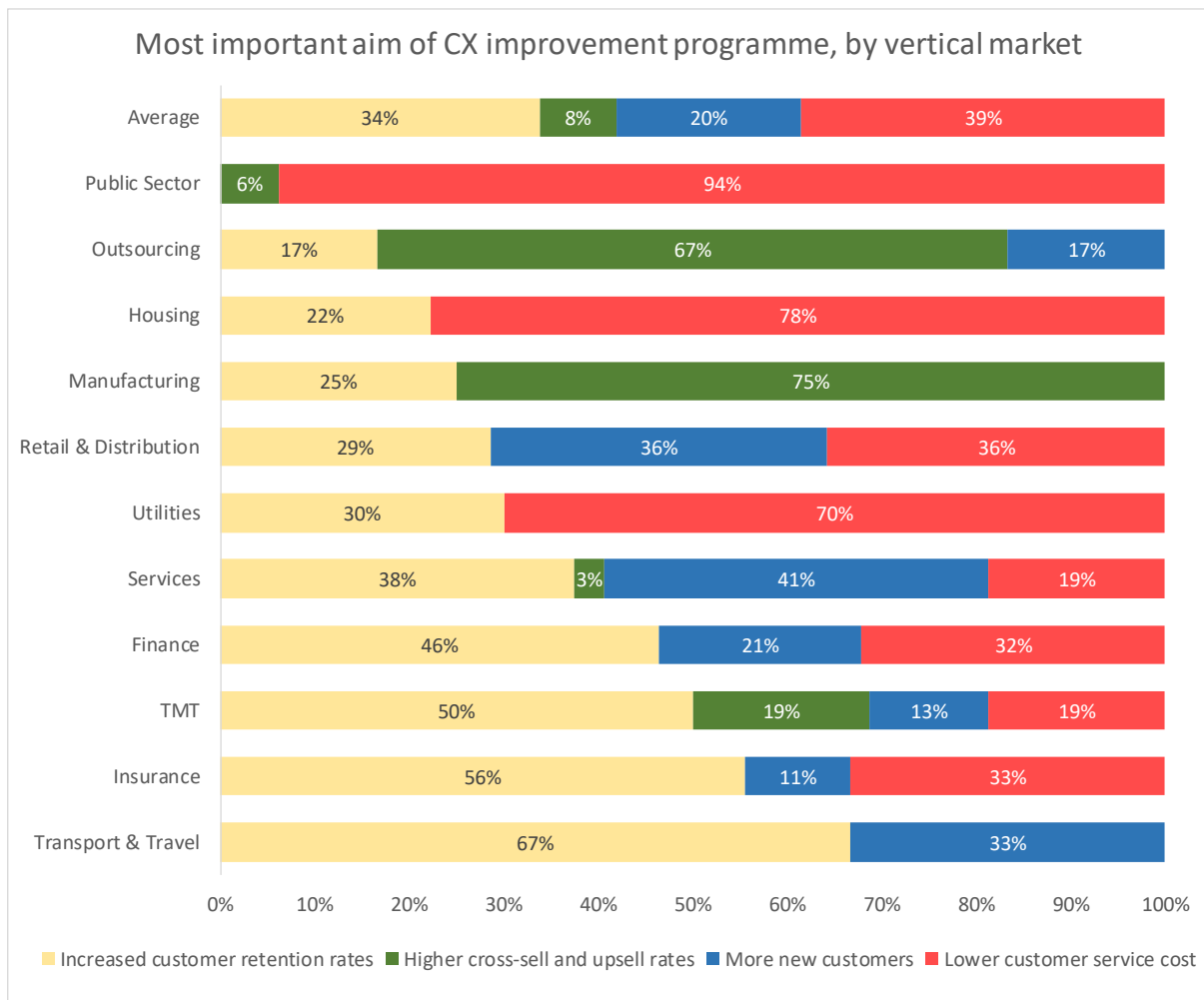
B2B organisations report that cross-sell/upsell is a far more common primary aim of improving their customer experience than is reported by B2C respondents.

While decreasing customer service costs is seen as the primary focus of the CX programme by 56% of B2C respondents, this figure decreases to only 16% amongst the B2B organisations.

Figure 13: Most important aim of CX improvement programme, by B2B/B2C focus

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

	Increased customer retention rates	Higher cross-sell and upsell rates	More new customers	Lower customer service cost
Average	32%	8%	20%	40%
B2C	26%	3%	16%	56%
B2B	43%	16%	26%	16%
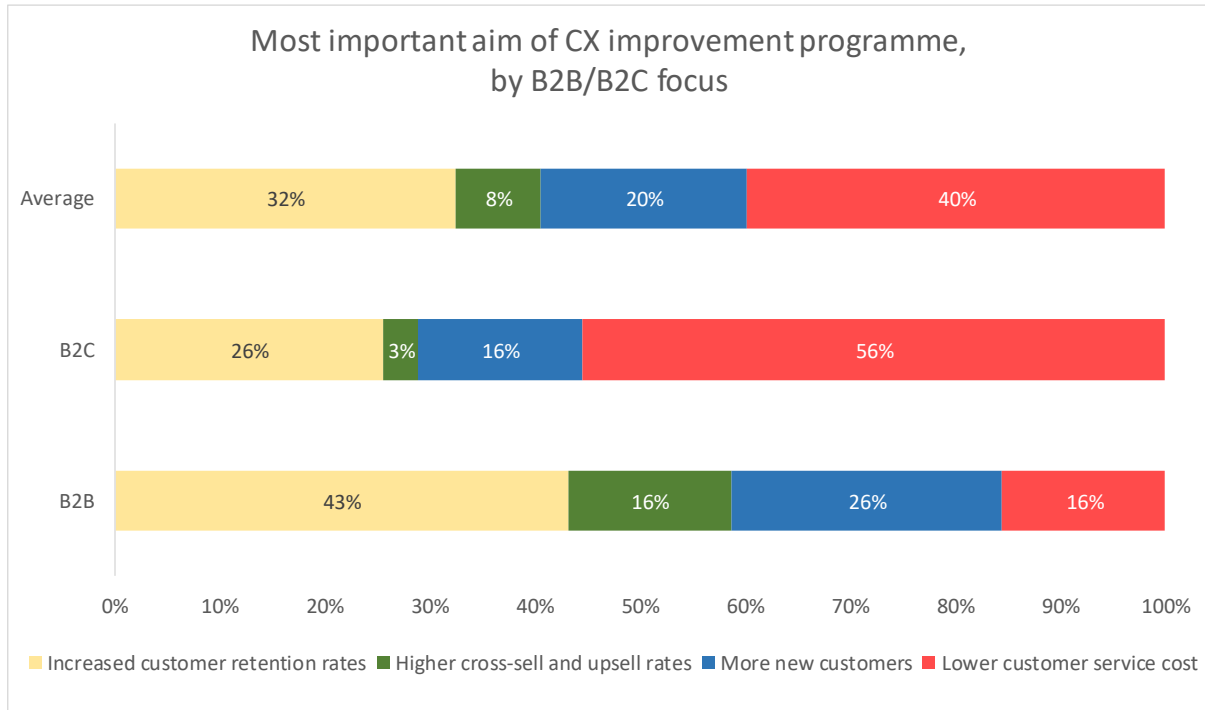
When considering respondents segmented by revenue, perhaps the most noticeable finding is that the smallest organisations place far more importance on gaining new customers through their CX improvement programme.

The focus of CX improvement on reducing customer service cost is of far more importance to non-commercial organisations, although a significant minority from all except the smallest businesses also have this as a priority.

Increasing customer retention rates and loyalty is stated to be the one of the most popular primary aims of the CX improvement programme by all revenue segments.

Figure 14: Most important aim of CX improvement programme, by revenue

Most important aim of CX improvement programme, by revenue

Revenue	Increased customer retention rates	Higher cross-sell and upsell rates	More new customers	Lower customer service cost
Average	33%	8%	19%	40%
N/A - not commercial organisation	26%	4%	4%	67%
More than £1bn	33%	17%	17%	33%
£100m - £1bn	29%	5%	19%	48%
£10-100m	42%	9%	15%	33%
£1-10m	35%	5%	35%	25%
Less than £1m	43%		57%	
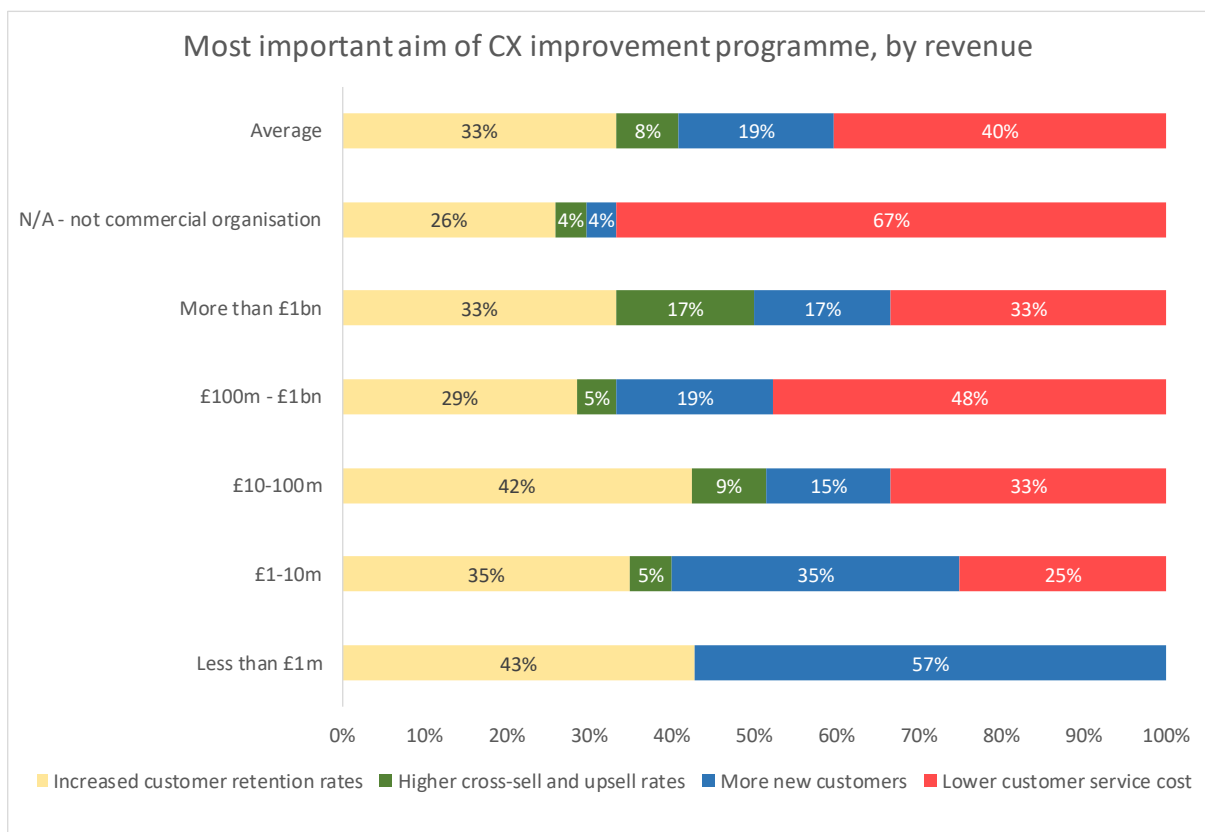
CX INVESTMENT: PEOPLE, PROCESS, TECHNOLOGY

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

'Other' spending includes:

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

Across the whole of the survey respondent base, investments in technology were almost double that of investment in business process improvements. This is especially noticeable in the very largest operations.

Smaller businesses were more likely to spend a higher proportion on training, and also had the highest proportion of spend on business process improvements.

Figure 15: Investment in CX improvements, by revenue

Investment in CX improvements, by revenue
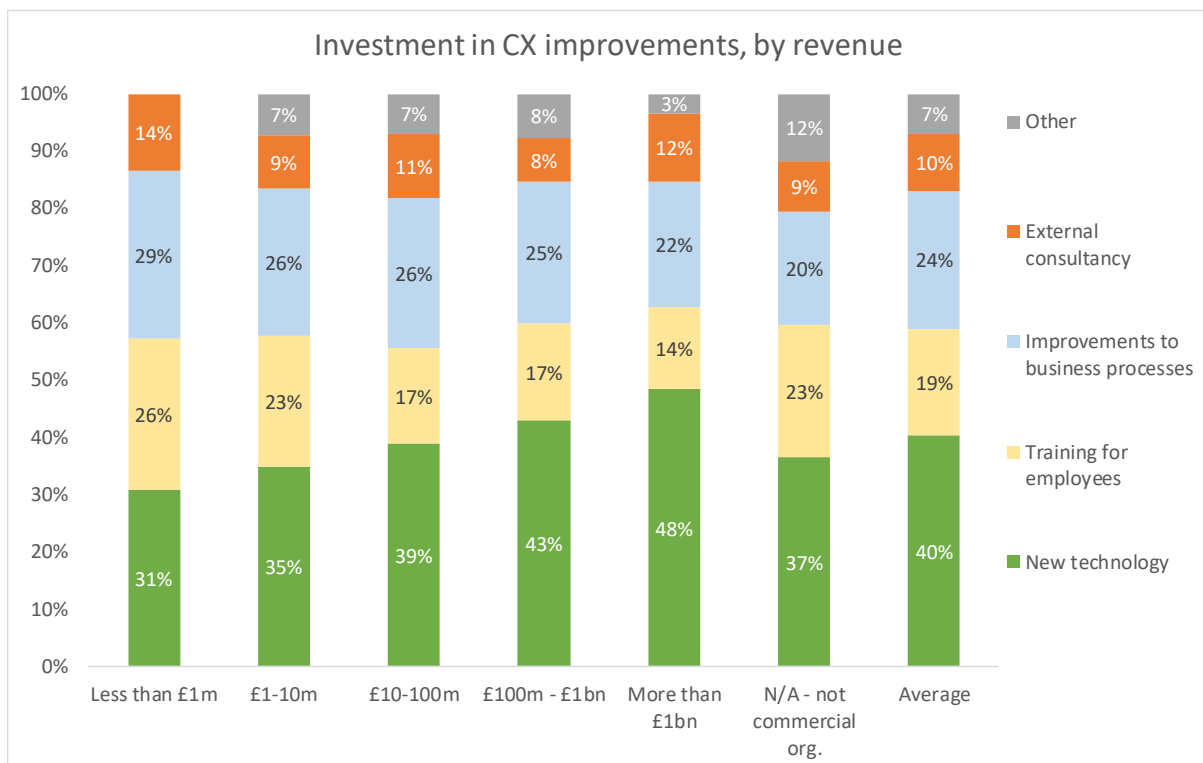
The pattern of CX investment was similar when considering the number of customers served by an organisation, with technology being somewhat more important in organisations with more customers.

It is important to note that survey respondents with fewer than 1,000 customers do not necessarily have lower revenues: many of these are substantial B2B organisations, with many of their customers spending very substantial amounts with them each year. As such, these organisations spent the lowest relative amount on new technology, and the highest amount on business process improvements. Those organisations with very considerable amounts of customers (usually B2C) would tend to spend proportionally the most on new technology, although the proportion of investments spent on business process improvements is fairly similar across most segments.

Those respondents with smaller numbers of customers were those that reported spending the greatest amount of proportional investment on employee training.

Figure 16: Investment in CX improvements, by number of customers

Investment in CX improvements, by number of customers
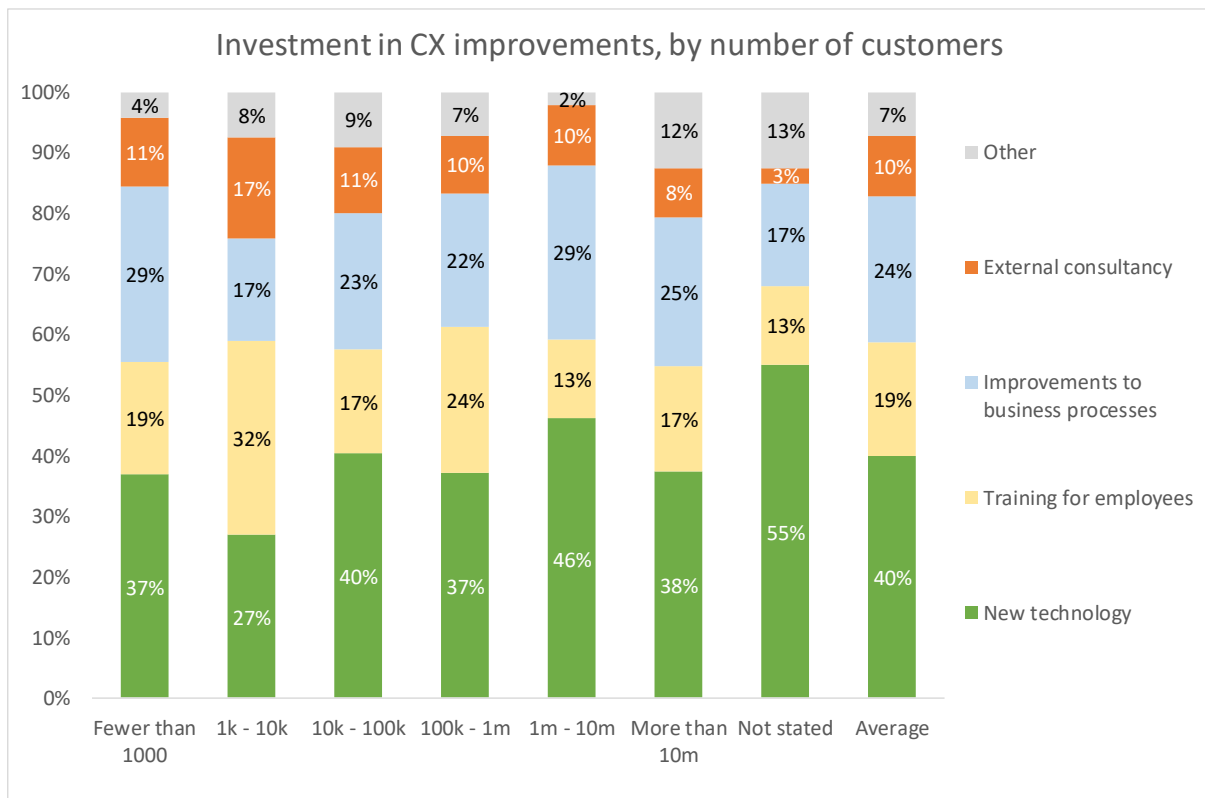
When considering survey responses segmented by the size of the contact centre, it is unsurprising to find that those with large contact centres were most likely to spend on technology. While contact centres do not account for all of the expenditure on CX technology, it tends to account for a very significant proportion of overall technological CX spend.

Those without contact centres spend proportionately the most on external consultancy.

Figure 17: Investment in CX improvements, by contact centre size

Investment in CX improvements, by contact centre size
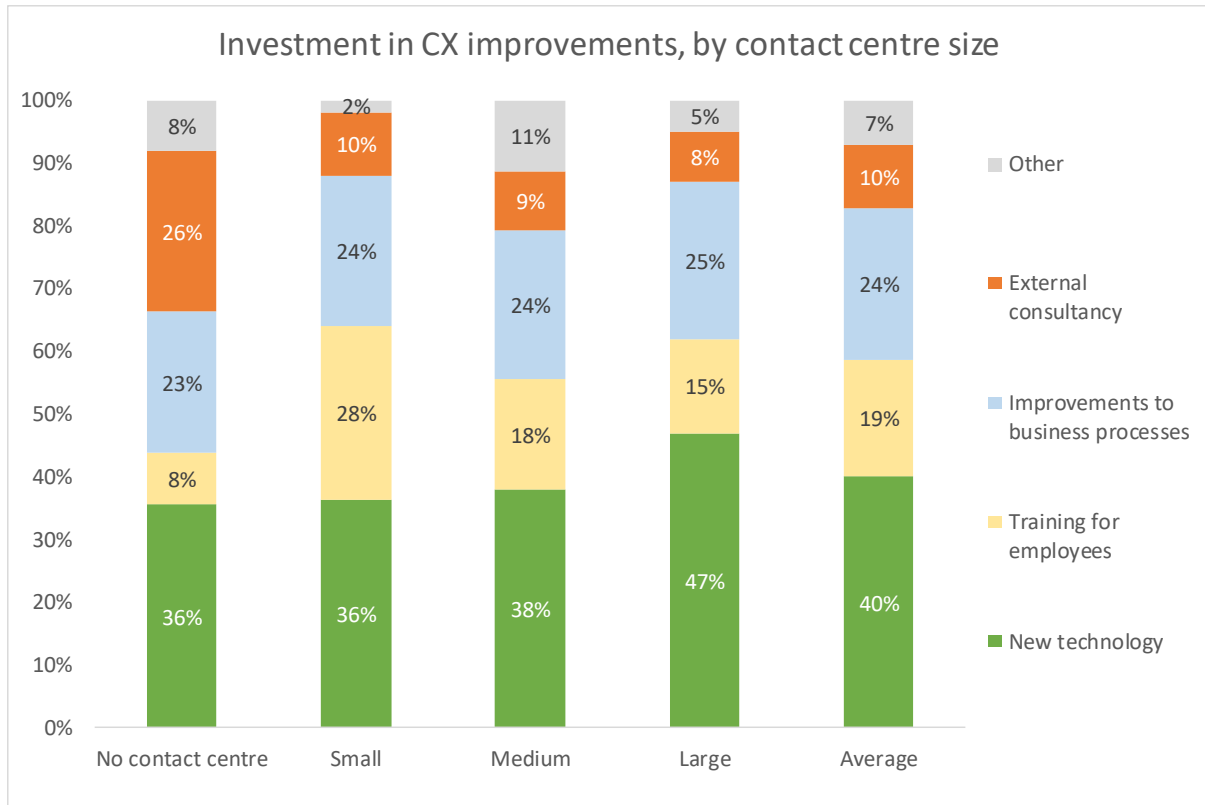
Before looking which channels are receiving the most CX investment, it is important to put omnichannel into perspective.

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

Figure 18: Inbound interactions by channel
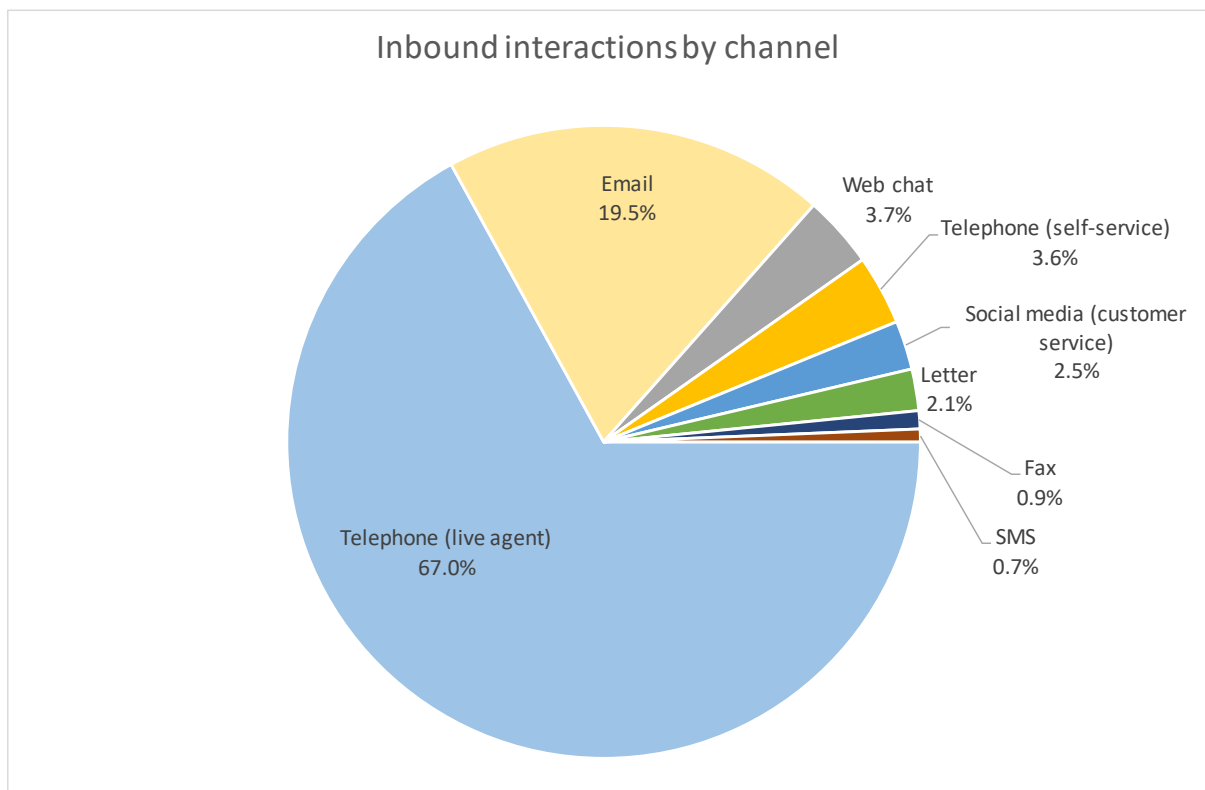
The proportion of live inbound interactions by telephone dropped to 65.3% in 2017, its lowest recorded level, in line with a long-term gentle downward trend, and has rebounded slightly to 67.0%.

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

The email channel increased significantly last year, after being around 15% for a number of years. While 2018 has seen a slight falling-off (down to 19.5%), this growth looks likely to be real, rather than a statistical anomaly.

Web chat and social media's growth pauses in this year's survey, and are still minor channels compared with voice.

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

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

Telephony self-service seems strongest in the utilities sector as usual.

Web chat is developing a much stronger presence in retail, so as to encourage and close online sales, but is still a way off being a major channel for any other vertical market, although finance respondents report more web chats this year.

No sector reports being ahead in terms of social media customer contact, although retailers seem to be making something of a move into this channel.

Figure 19: Inbound interactions by channel, by vertical market

Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Mean
Telephone (live agent)	62%	75%	74%	58%	71%	82%	56%	55%	61%	82%	57%	**67.0%**
Telephone (self-service)	4%	2%	1%	1%	1%	4%	7%	4%	5%	1%	18%	**3.6%**
Email	17%	16%	15%	31%	18%	10%	23%	29%	24%	16%	11%	**19.5%**
Web chat	8%	3%	3%	2%	5%	1%	7%	4%	4%	0%	5%	**3.7%**
SMS	2%	1%	0%	0%	0%	0%	1%	1%	1%	0%	1%	**0.7%**
Letter	5%	1%	5%	1%	2%	0%	1%	2%	2%	1%	3%	**2.1%**
Fax	0%	0%	0%	6%	0%	0%	0%	2%	0%	0%	3%	**0.9%**
Social media (customer service)	2%	3%	1%	2%	2%	3%	5%	3%	2%	0%	2%	**2.5%**

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

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

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

Figure 20: How do you think inbound channels will change in your contact centre in the next 12 months?
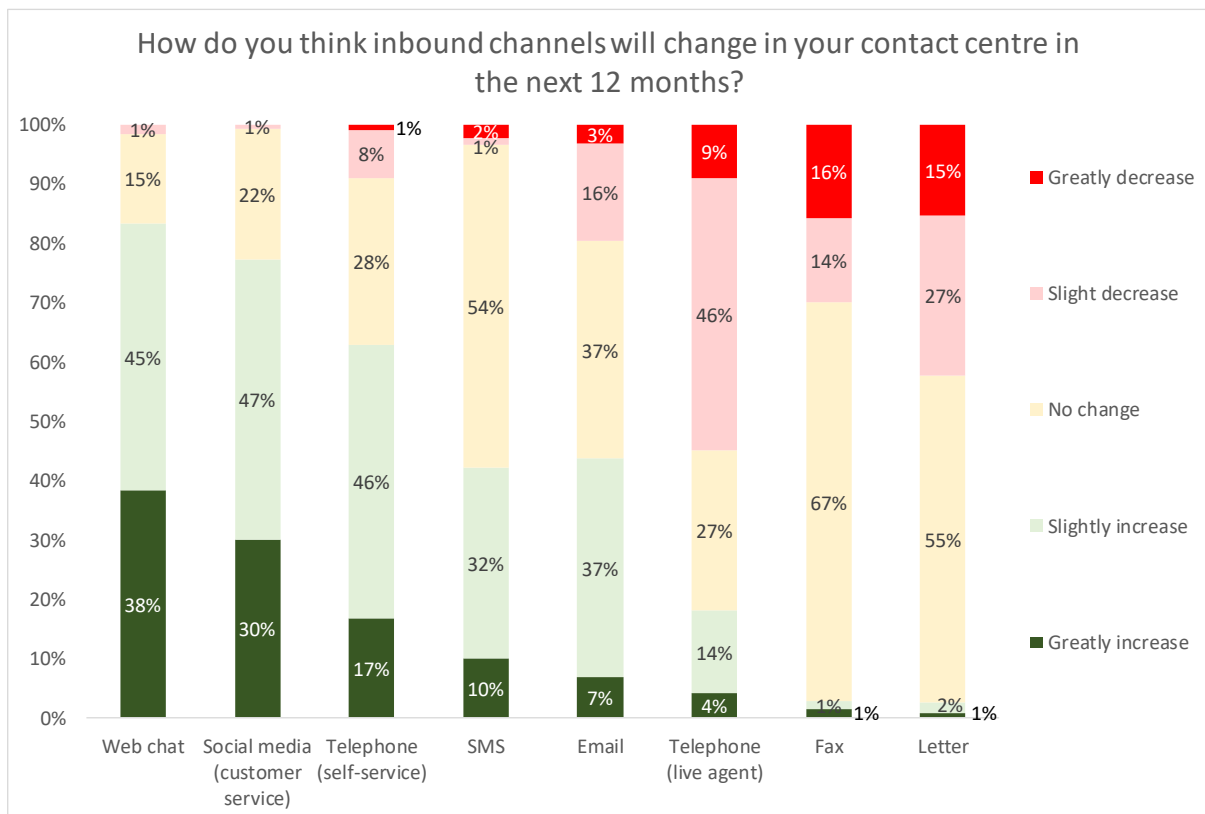
As usual, the traditional media of letters and fax will have a net decline in our respondents' eyes, although still have their place in the likes of the insurance, medical and manufacturing industries. Even more respondents believed the live telephony channel volumes would drop (55%) than thought they would rise (18%), a finding that is growing each year, and which signals a trend in the industry that is explored in the next chart.

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

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

Turning to how customer experience investment is spent by channel, it is easy to see that for the majority of vertical markets, digital channels such as email, web chat, website and social media receive far more attention and investment than the traditional telephony channel, despite the former accounting for around 28% of inbound interactions (excluding web self-service), compared to around 70% coming through telephony (whether live or self-service).

Figure 21: Investment in CX channel, by vertical market

Investment in CX channel, by vertical market

	Digital	Telephone	Physical store	Other
Average	52%	34%	9%	5%
Public Sector	37%	54%	8%	1%
Retail & Distribution	41%	22%	29%	7%
Housing	48%	51%		1%
Transport & Travel	50%	47%	3%	
TMT	53%	32%	12%	3%
Services	56%	26%	10%	8%
Outsourcing	58%	34%	8%	
Manufacturing	60%	24%	9%	8%
Finance	60%	31%	6%	3%
Insurance	65%	18%		17%
Utilities	70%	25%	5%	
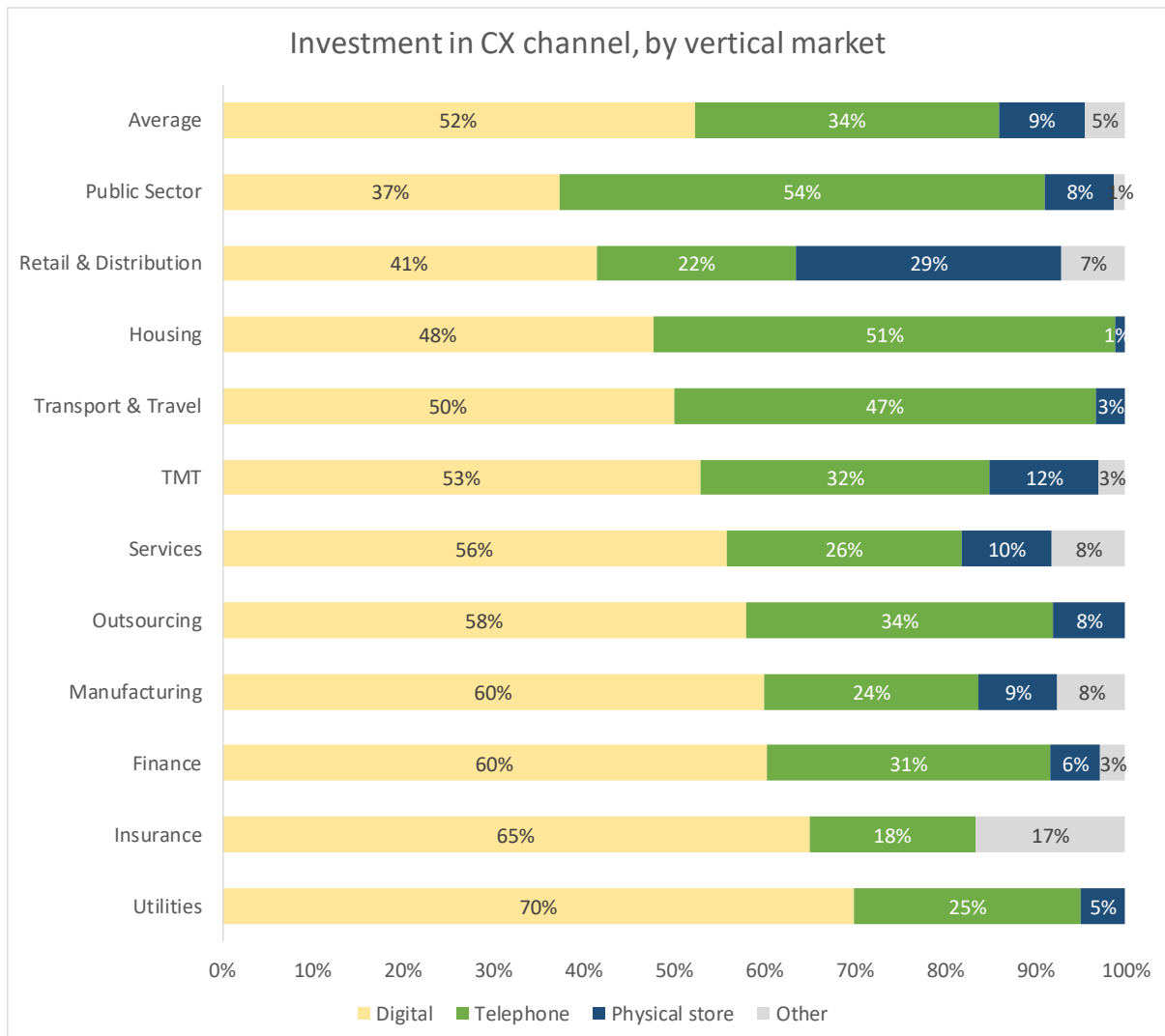
When considering the B2B/B2C segmentation, similar proportions of CX investment are spent on digital, although B2C will tend to spend proportionately more on physical locations such as stores.

Figure 22: Investment in CX channel, by B2C / B2B focus

Investment in CX channel, by B2C / B2B focus

	Digital	Telephone	Physical store	Other
Average	52%	34%	9%	5%
B2C	51%	34%	12%	3%
B2B	54%	34%	6%	7%
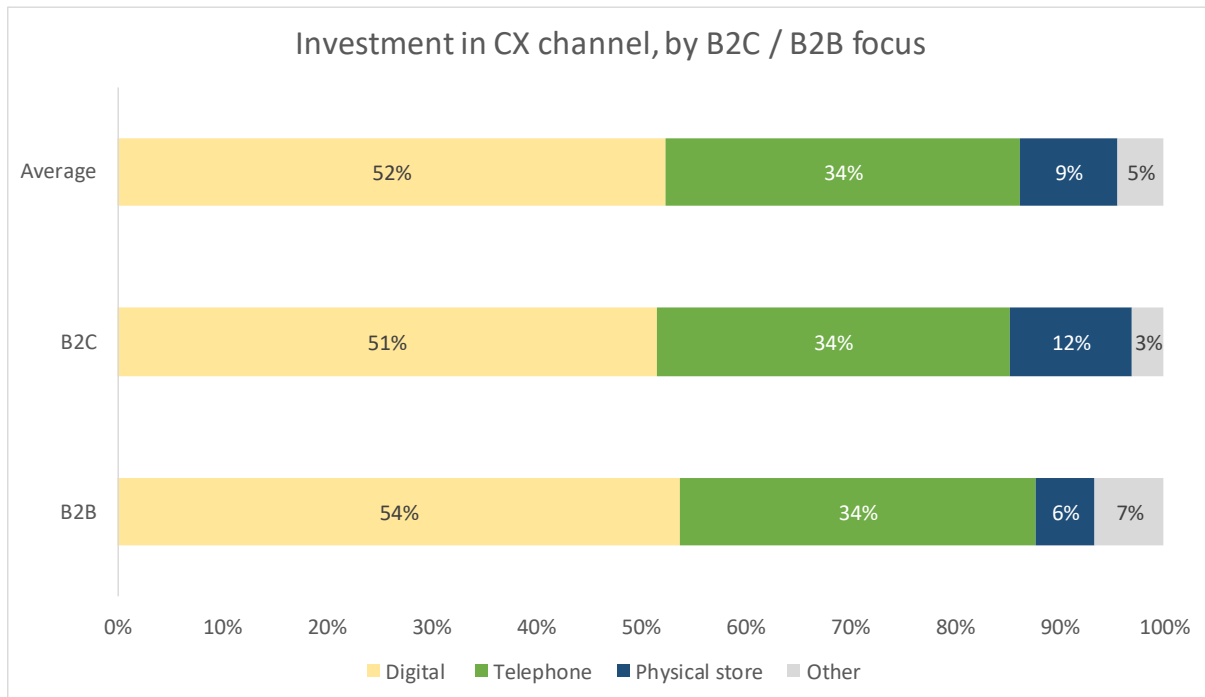
NB: the 'Other' category responses given include:

- Customer onboarding experience
- Customer surveys
- Direct mail marketing
- SMS.

The chart below shows that many mid-sized businesses are embracing the digital channel as a way to give themselves a level playing field when competing against much larger organisations. Respondents with £10-100m in revenue state that 66% of their CX investment is going into digital channels.

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

Figure 23: Investment in CX channel, by revenue

Investment in CX channel, by revenue

Revenue	Digital	Telephone	Physical store	Other
Average	53%	33%	9%	5%
N/A, not commercial org.	35%	50%	6%	9%
More than £1bn	51%	25%	21%	2%
£100m - £1bn	51%	37%	5%	7%
£10-100m	66%	26%	7%	2%
£1-10m	55%	32%	10%	3%
Less than £1m	55%	27%	3%	15%
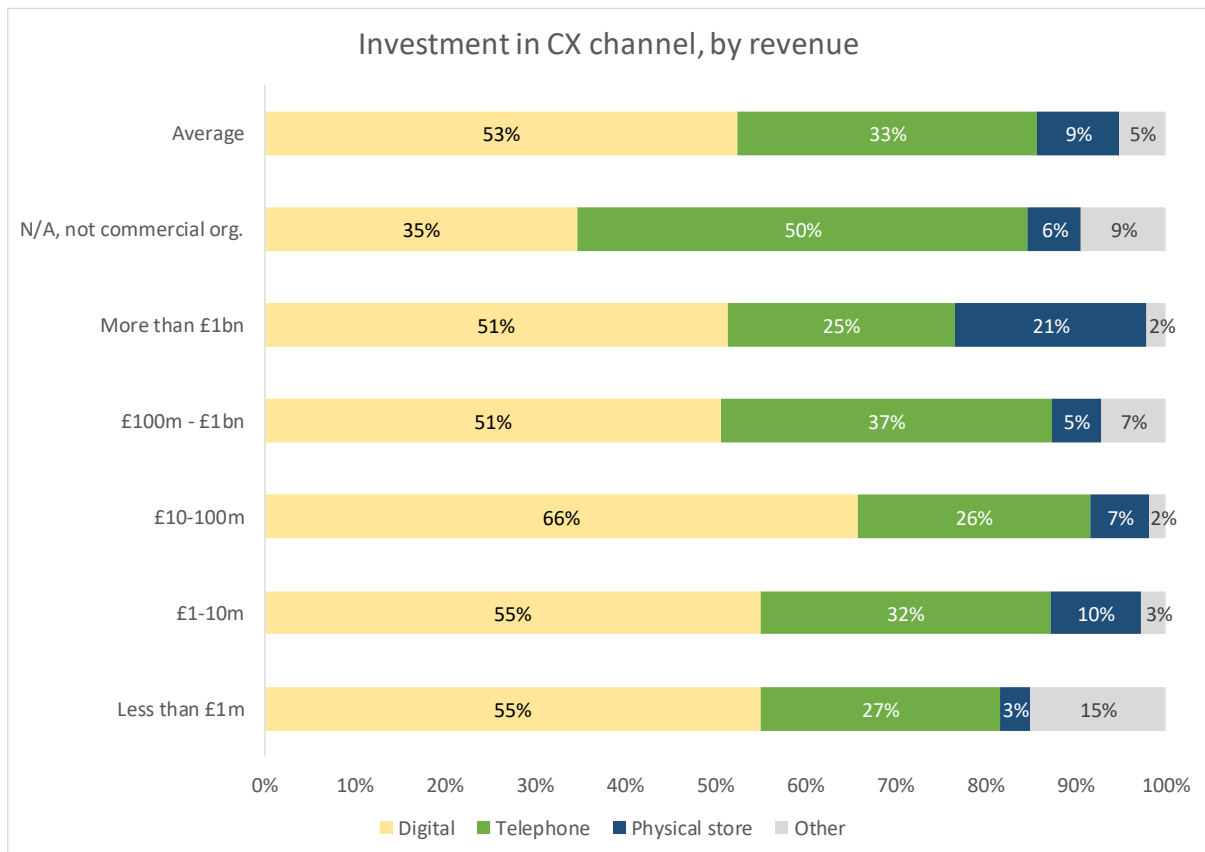
Respondents were asked how well their organisation currently supported their customer experience programmes. In the main, the results were not particularly positive, with almost half of organisations stating that their CX technology was either poor or average, and 44% being lukewarm about the number of dedicated CX employees available.

On the positive side, half of respondents stated that the organisational culture was already customer-centric and 53% commended their executives' commitment, so it appears as though it is the execution of CX improvement rather than the acceptance of the concept itself which needs to be improved.

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

Figure 24: How well does your organisation currently support your CX programmes?

How well does your organisation currently support your CX programmes?

	Excellent	Good	Fair	Average	Poor
Amount of time available for CX improvement	5%	23%	33%	23%	16%
Available resources / budget	6%	35%	39%	9%	12%
CX technology	6%	23%	24%	27%	20%
Organisational readiness for change	8%	28%	29%	19%	15%
Number of dedicated CX employees	8%	20%	28%	20%	24%
Existing customer-centric culture	12%	38%	27%	13%	9%
Board level support/executive commitment for CX	18%	35%	22%	17%	8%

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

However, around one-quarter of B2B respondents felt that their customer experience technology was poor, and similar proportions stated that there was little time available for actually improving the customer experience or the human resource available to do so.

Although there is certainly room for improvement in every one of the factors surveyed, B2B respondents are generally much less critical of their organisation's support of customer experience than is the case with B2C respondents.

Figure 25: How well does your organisation currently support your CX programmes? (B2B respondents)

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

	Excellent	Good	Fair	Average	Poor
Available resources / budget	6%	50%	24%	16%	4%
Amount of time available for CX improvement	8%	27%	27%	20%	18%
CX technology	12%	24%	24%	18%	24%
Number of dedicated CX employees	13%	28%	26%	11%	23%
Organisational readiness for change	14%	35%	31%	10%	10%
Existing customer-centric culture	18%	40%	22%	10%	10%
Board level support/executive commitment for CX	27%	37%	14%	16%	6%

For B2C survey respondents, 42% consider that their organisational culture is already customer-centric and a similar proportion that the executive commitment to improving CX is either excellent or good.

However, the good news stops here. 42% of respondents state that the time available for improving the customer experience is either poor or average, with 54% reporting unacceptable CX technology.

30% of respondents believe that the availability of CX resources is either good or excellent, with only 24% believing the same about CX technology.

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

Figure 26: How well does your organisation currently support your CX programmes? (B2C respondents)
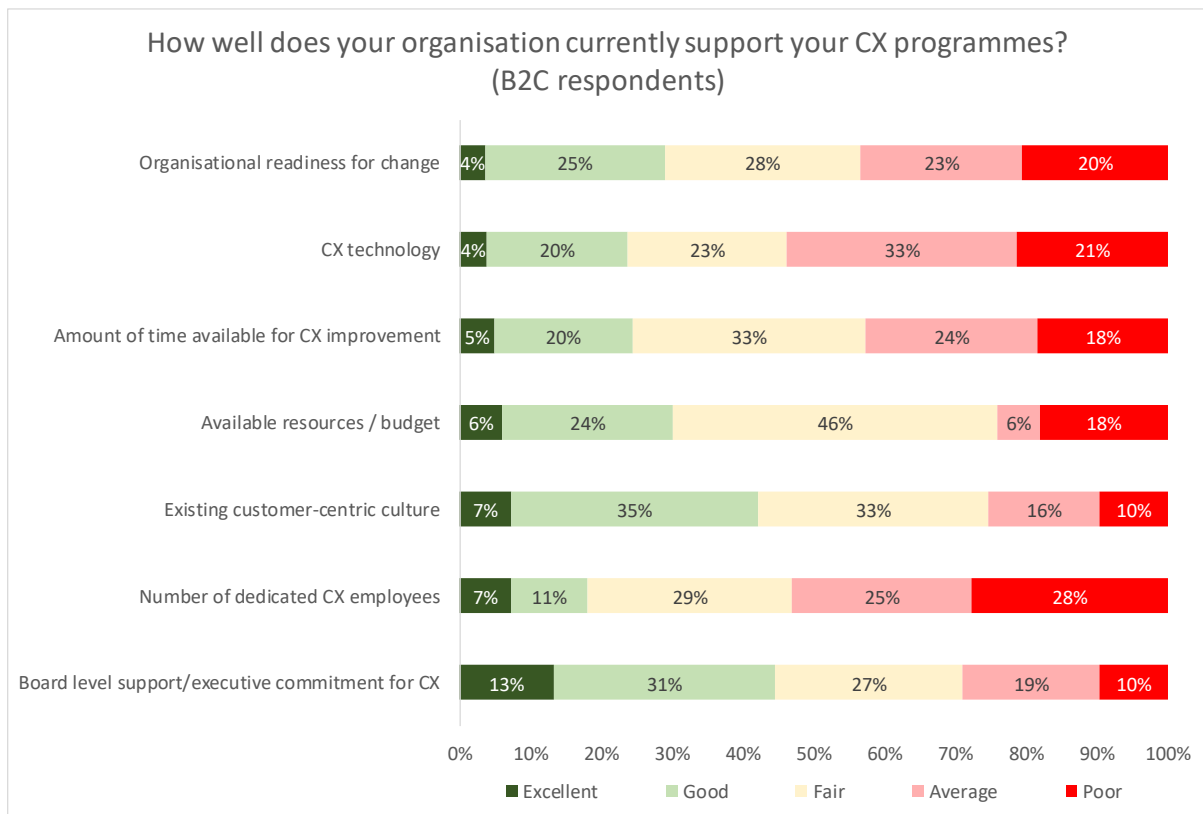
It is worth investigating organisations' support of their CX programmes in a little more depth within the next two charts, which look at the availability of budget and resources when segmented by revenue, and the impact of contact centre size on CX technology.

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

In fact, all of the smallest businesses surveyed are generally happy with their allocation, and the greatest levels of budgetary and resource discontent are found in organisations with the highest annual revenues.

Figure 27: How well does your organisation currently support your CX programmes? (budget / resources) – by revenue
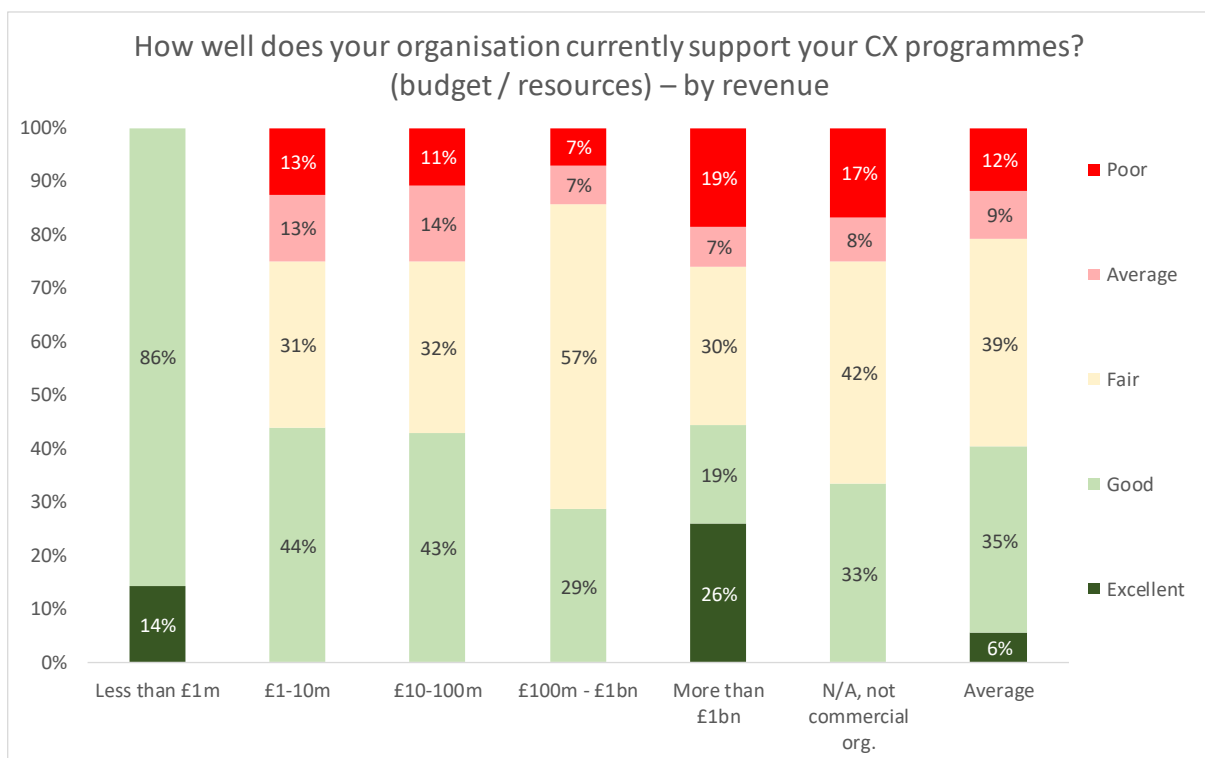
When considering the capability of customer experience technology by the size of the contact centre, there are very significant proportions of respondents at every level who ranked their CX technology as being poor or average. As you might expect, those that do not have a contact centre are least likely to be dissatisfied with the level of CX technology, but even those within the largest contact centres cannot be said to be uniformly delighted with the technology that they have in place.

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

	No contact centre	Small	Medium	Large	Average
Poor		31%	22%	13%	20%
Average		25%	25%	33%	27%
Fair	43%	16%	29%	20%	24%
Good	14%	22%	20%	29%	23%
Excellent	43%	6%	3%	4%	6%
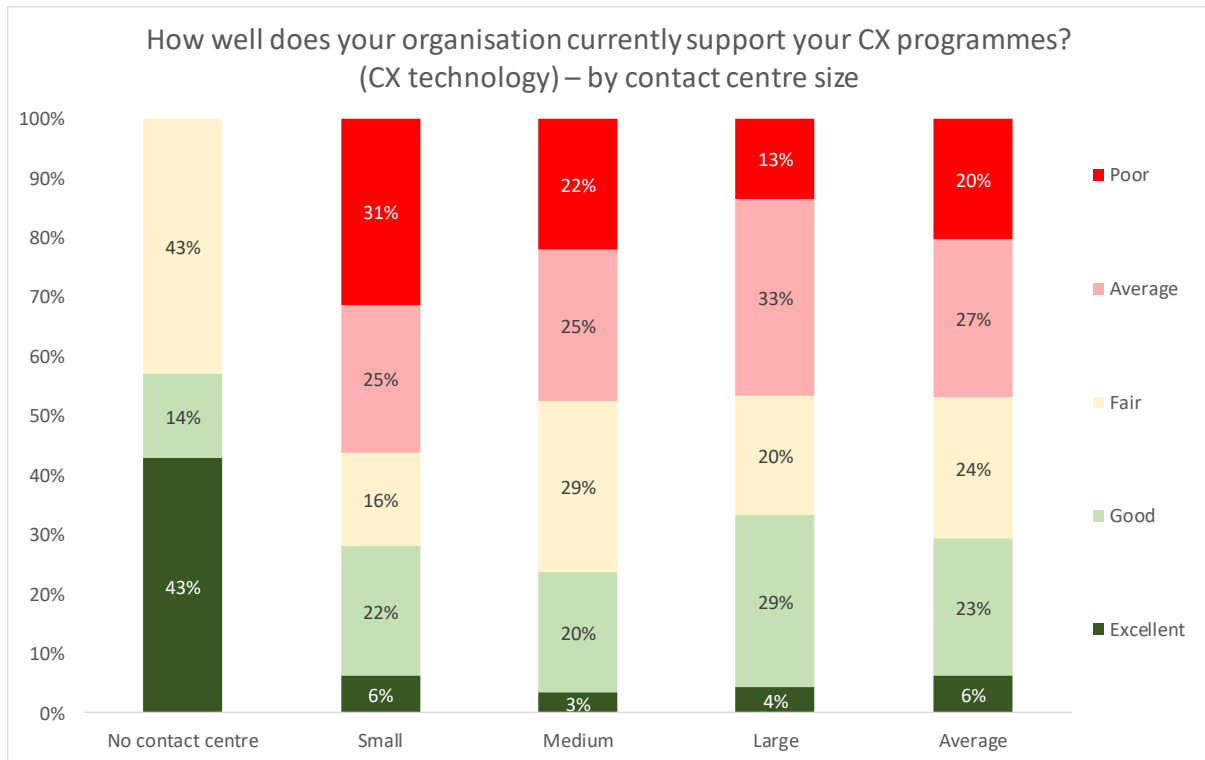
The next section of this report looks in depth at the use of some of the technologies supporting customer experience – in particular within the contact centre – and the plans that organisations have for investing in these in the near future.

37

TECHNOLOGY

CURRENT AND FUTURE USE OF CUSTOMER CONTACT TECHNOLOGY

The following chart shows respondents' current and future use of specific contact centre solutions. These figures are taken from a ContactBabel survey carried out in late 2018, and as such, may not mirror the technology usage found in the current report's survey responses. The following two charts / tables should be used to identify the relative use of technology, and the most likely planned areas of investment.

Figure 29: Technology penetration and implementation plans

Technology penetration and implementation plans

Technology	Use now, no plans to replace/upgrade	Use now, looking to replace/upgrade	Will implement within 12 months	Will implement after 12 months	No plans to implement	Don't know / NA
Gamification	7%	2%	14%	8%	52%	16%
Robotic Process Automation (RPA)	8%	1%	11%	6%	55%	20%
AI / machine learning	8%	5%	19%	17%	41%	10%
Automated speech recognition	9%	5%	8%	19%	55%	4%
Interaction analytics	16%	4%	18%	20%	35%	7%
Automated outbound dialler	23%	6%	6%	3%	57%	5%
Web chat	39%	12%	26%	15%	8%	1%
Mobile app/website for customer service	40%	12%	14%	12%	15%	7%
Workforce management systems	40%	15%	11%	11%	18%	4%
Email management software	41%	17%	14%	9%	15%	4%
SMS	53%	7%	10%	7%	19%	4%
Touchtone / DTMF IVR	47%	14%	5%	3%	17%	14%
Social media as a customer service channel	53%	9%	15%	8%	14%	1%
IP telephony infrastructure	60%	12%	4%	3%	11%	10%
Management information systems	55%	20%	8%	5%	8%	4%
Call recording	79%	13%	2%	3%	1%	1%

IVR, WFM, email management and MIS are amongst the most likely to be upgraded or replaced in the next year, with a significant proportion of respondents using web chat and mobile service also looking do so. Many legacy call recording solutions are moving to the cloud, removing the need for on-site storage and maintenance, while improving security management and operational flexibility.

In terms of new implementations, web chat and AI are singled-out in the short term, with gamification also receiving a very high level of attention considering its low current usage. In the longer-term, AI, speech recognition and analytics were seen by respondents as likely investments. This may show that businesses are serious about these solutions, or alternatively it may be viewed as something that businesses would like to do, but find it difficult to get around to as they have more pressing tasks in the meantime.

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

Figure 30: Top 5 most important areas of contact centre IT expenditure in the next two years (proportion of contact centres placing solution in their top 5, 2015-18)

Technology solution	2015	2016	2017	2018
CRM / Agent Desktop Software	48%	56%	53%	63%
Self-Service (includes DTMF IVR, Automated Speech Recognition and Web Self-Service)	20%	30%	33%	57%
Omnichannel (i.e. getting channels to work together)	42%	50%	55%	41%
Back-Office Integration	39%	45%	48%	31%
Web Chat	38%	31%	29%	28%
Email Management	41%	37%	31%	27%
Social Media	21%	20%	18%	27%
Homeworking	14%	9%	11%	26%
Management Information Systems	30%	25%	22%	25%
Cloud	18%	17%	16%	25%
Desktop Automation & Analytics	19%	25%	27%	22%
Workforce Management	19%	29%	24%	17%
Speech Analytics	9%	8%	13%	17%
Call Recording	19%	6%	12%	16%
Performance & Quality Management	26%	25%	25%	14%
Hardware (including PCs & servers)	19%	13%	12%	14%
Mobile Service	15%	13%	19%	13%
Telephony Infrastructure (including IP)	10%	12%	7%	13%
Gamification	8%	9%	11%	6%
Outbound Automation	6%	5%	5%	6%
Voice Biometrics	4%	3%	3%	6%
Interaction Routing (including ACD/CTI-like functionality)	17%	14%	14%	3%
Virtual Contact Centres	7%	10%	8%	2%
Headsets	7%	3%	2%	2%
Video/Web RTC	0%	4%	2%	0%

The percentages in the previous table are based on the proportion of respondents over the past four years placing the specific solution within their top 5 from a list of 25 possible contact centre solutions. By starting to show this historical data, patterns will emerge, showing the solutions that are gaining the most interest over the years, and those which are losing their appeal.

CRM (including improvement to the contact centre agent desktop and contact management system, as well as company-wide CRM) has been in no.1 position for a number of years, and although it lost its no.1 spot in 2017 to omnichannel, it is back on top in 2018.

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

Omnichannel - which has been defined within this part of the survey as getting the various channels to work together - is placed within the top 5 priorities by 41% of respondents (a decrease on last year's figure of 55%). The various supporting applications, such as web chat, email management systems and social media still have significant proportions of respondents placing them within the top 5, although it is noticeable that these numbers are falling year-on-year as implementations actually happen (as this table looks at planned implementations, rather than those that have actually happened).

While back-office integration has dropped in importance this year, it is still in fourth place. This suggests that respondents are very aware of the need to underpin the entire customer contact infrastructure - both front and back office - with a robust, stable and non-siloed infrastructure that allows a single view of the customer throughout their entire experience in an omnichannel environment. While back-office integration may not be the most glamorous technology solution available, this significant level of interest and planned investment shows the contact centre's remit is widening to cover the entire customer journey, not just the voice element.

Homeworking has jumped from 11% to 26% in 2018, and future years will show whether this is a sustainable level of interest, or simply a one-off anomaly, although the rise in interest in cloud should also be noted in the context of non-centralised working.

B2B & B2C CX TECHNOLOGY

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

Once again, B2B respondents were less likely than their B2C counterparts to flag up major technology challenges, although it is noticeable that 41% of B2B respondents stated that not having a single view of the customer across channels was a major problem for them.

Issues around HR (such as the availability of suitably qualified and experienced IT resource) and a lack of support from senior management for customer experience initiatives are seen as being less of an issue, although more than 1 in 5 of B2B respondents still state that this is a major problem for them.

Figure 31: To what extent are these technology challenges affecting CX? (B2B respondents)
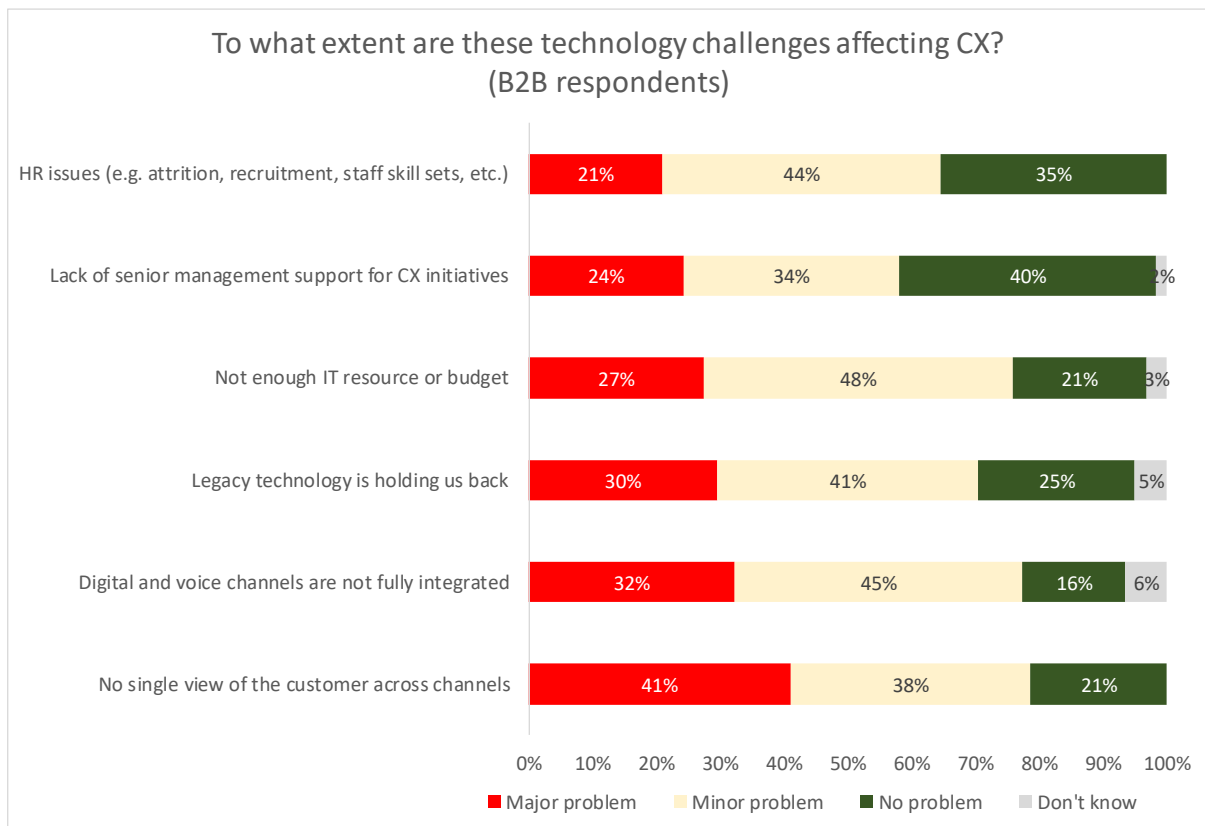
For B2C respondents, technology challenges affect customer experience significantly more.

In particular, 58% of respondents state that it is a major problem for them that their existing legacy technology is holding them back, and 68% state that not having a single view of the customer across channels is a major problem for them.

Figure 32: To what extent are these technology challenges affecting CX? (B2C respondents)

To what extent are these technology challenges affecting CX? (B2C respondents)

Challenge	Major problem	Minor problem	No problem	Don't know
Lack of support for CX initiatives from senior management	15%	35%	50%	
HR issues (e.g. attrition, recruitment, staff skill sets, etc.)	16%	43%	37%	5%
Digital and voice channels are not fully integrated	37%	51%	7%	5%
Not enough IT resource or budget	39%	36%	18%	8%
Legacy technology is holding us back	58%	31%	10%	1%
We do not have single view of the customer across channels	68%	25%	6%	2%

Looking at CX-related technology challenges from the perspective of company revenue and number of customers, it is the organisations with the most customers that are most likely to be having trouble gaining a single view of the customer, and these operations are also most likely to be restricted by their existing legacy systems. 82% of respondents with more than 10m customers stated that the single view of the customer was a major problem, compared to 25% of respondents with fewer than 10,000 customers.

Larger respondents with more customers were more likely to report major concerns with IT human resources, and IT resourcing and budgetary issues were reported to be a problem for many respondents of all sizes. The organisations with most customers were most likely to report a lack of support for customer experience initiatives from their senior management, with 26% of the largest companies stating this was a major problem for them.

Considering the use of customer experience technology by B2B/B2C organisation type, B2B respondents have a slight tendency to have implemented more technology in the case of most applications. The most significant exception to this is in the use of IVR.

Figure 33: Use of CX technology, by B2B/B2C focus

Use of CX technology, by B2B/B2C focus

Technology	B2B	B2C
Speech recognition	39%	33%
Interaction analytics	52%	45%
Unified agent desktop	62%	45%
Omnichannel / customer interaction hub	61%	56%
Web chat	58%	59%
Web self-service	81%	82%
Touchtone / DTMF IVR	70%	86%
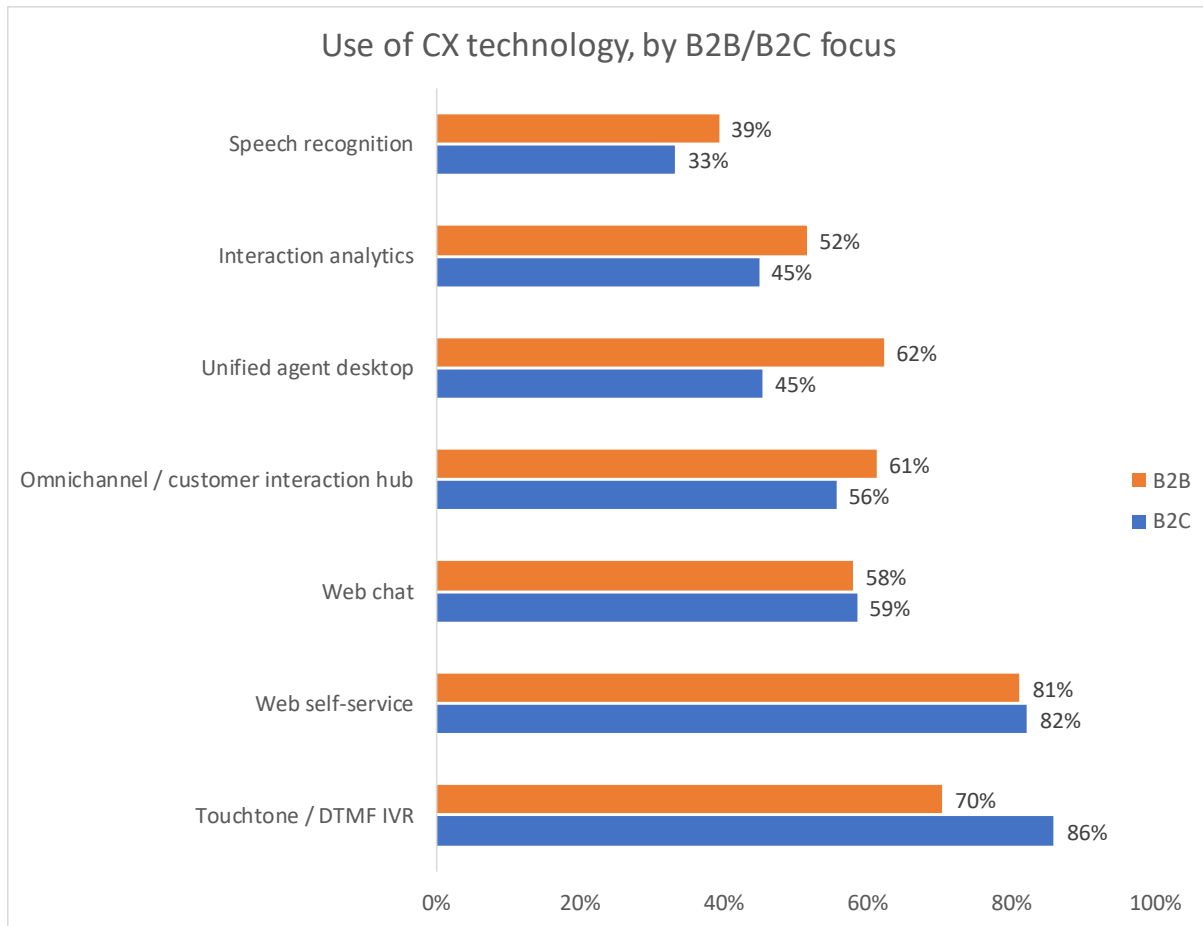
B2B respondents generally report that their technology has a positive impact on the customer experience, with web chat, unified agent desktop and omnichannel being seen as particularly effective, with over 80% of B2B respondents stating that these technologies were positive.

B2C respondents were also very upbeat about omnichannel and web chat, with around half of respondents using these technologies stating that they were strongly positive. However, more than a quarter of B2C respondents that used IVR stated that it had a somewhat negative effect on the customer experience although 80% of the B2C respondents that used automated speech recognition stated that they had a positive opinion on how this affected the customer experience.

CX TECHNOLOGY BY CONTACT CENTRE SIZE

The following series of charts study the effect that organisations believe specific technologies have on their customers' experience. The charts are ordered by their greatest use by organisations (i.e. web self-service has the greatest penetration rate, and automated speech recognition the least. As such, we would expect to see a positive correlation between a technology's usage and the positive effect that is believed to have on the customer experience.

The most popularly used customer experience technology is web self-service. The cost per automated support session is estimated to be between 40 and 100 times cheaper than a live call to an agent.

Research has stated that 58% of calls to the contact centre result from bad website service or a failure in another channel. Most customers will visit a website first; if they cannot find what they're looking for immediately they will try self-service; if the self-service experience does not give them what they want immediately and accurately, they will either call the business or go elsewhere. In cases where the customer is tied into an existing business, this will result (merely) in a higher cost of service and decreased customer satisfaction. In cases where the web visitor is only a potential customer, a failure in the self-service process on a website will mean the almost-certain loss of a sale. In all cases, providing effective web self-service options - with a clear path to escalation to a live agent, along with any contextual customer specific information - is in the best interests of the business.

The majority of survey respondents feel that web self-service is of positive benefit to the customer experience, although a handful of respondents in small/medium contact centres feel otherwise.

Figure 34: What effect does technology have on your customers' experience? by contact centre size (web self-service)

What effect does technology have on your customers' experience? by contact centre size (web self-service)

	Small	Medium	Large	Average
Strongly negative	4%	2%		2%
Somewhat negative	4%	7%	4%	5%
Neutral	15%	12%	15%	14%
Somewhat positive	65%	54%	35%	50%
Strongly positive	12%	25%	46%	30%
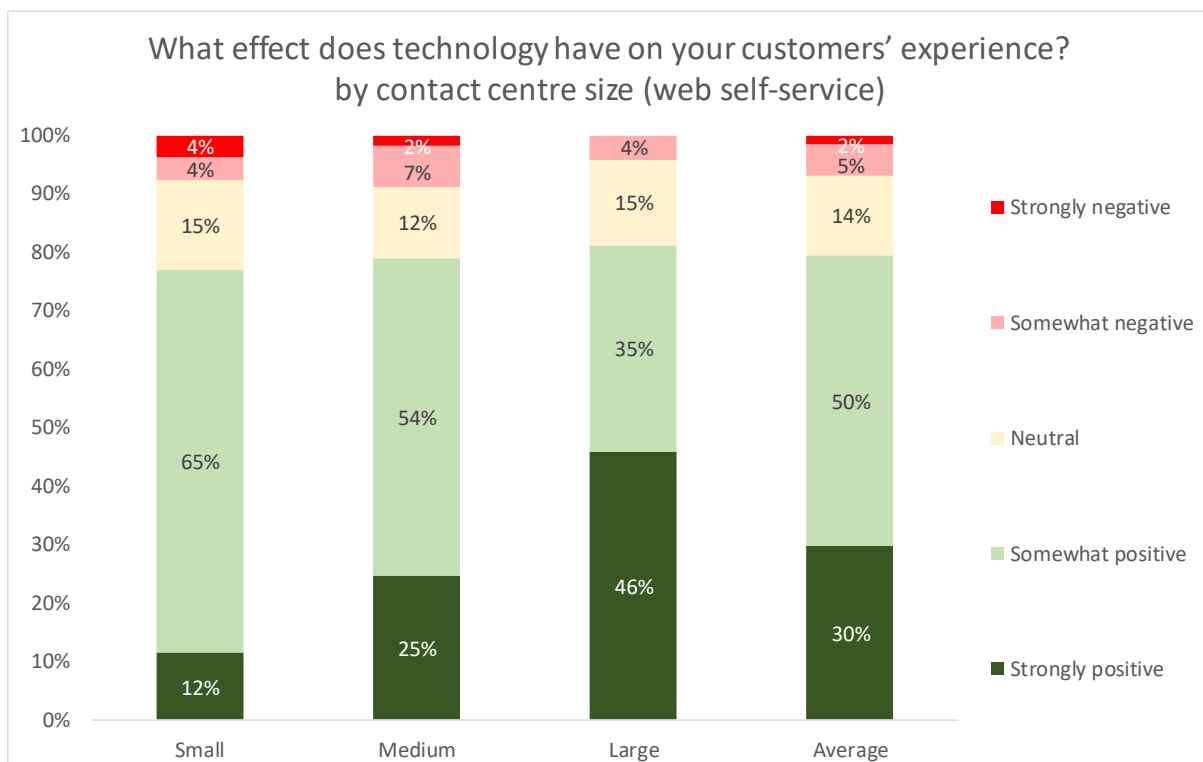
Despite the rapid growth in the use of web-based services, the importance of the voice channel has not diminished to the extent predicted by some commentators:

- Customers still find voice the most convenient, flexible and quickest communication channel in many instances, especially in older demographics and for complex and high-emotion enquiries

- Customers' expectations continue to rise. Not only do they seek out competitively-priced goods and services, but they require quick, efficient service as well

- The general level of awareness of identity theft as a real issue has also grown, and the voice channel still provides customers with the greatest level of confidence.

Many calls are not suitable for self-service, as the customer may have multiple requests, the call is of a complex nature or be from someone who wants to speak with a human agent. Small businesses may have such a low volume of calls that self-service is not cost-effective. If customers don't want to use IVR, they will "zero-out" (press 0 for a live agent, or try to find a similar shortcut) – 10% of IVR calls are abandoned in this way. If businesses don't offer a live agent option to an irate and frustrated caller, they won't need to worry about providing customer service to them in the future, as they'll go elsewhere.

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

Figure 35: What effect does technology have on your customers' experience? by contact centre size (touchtone/ DTMF IVR)
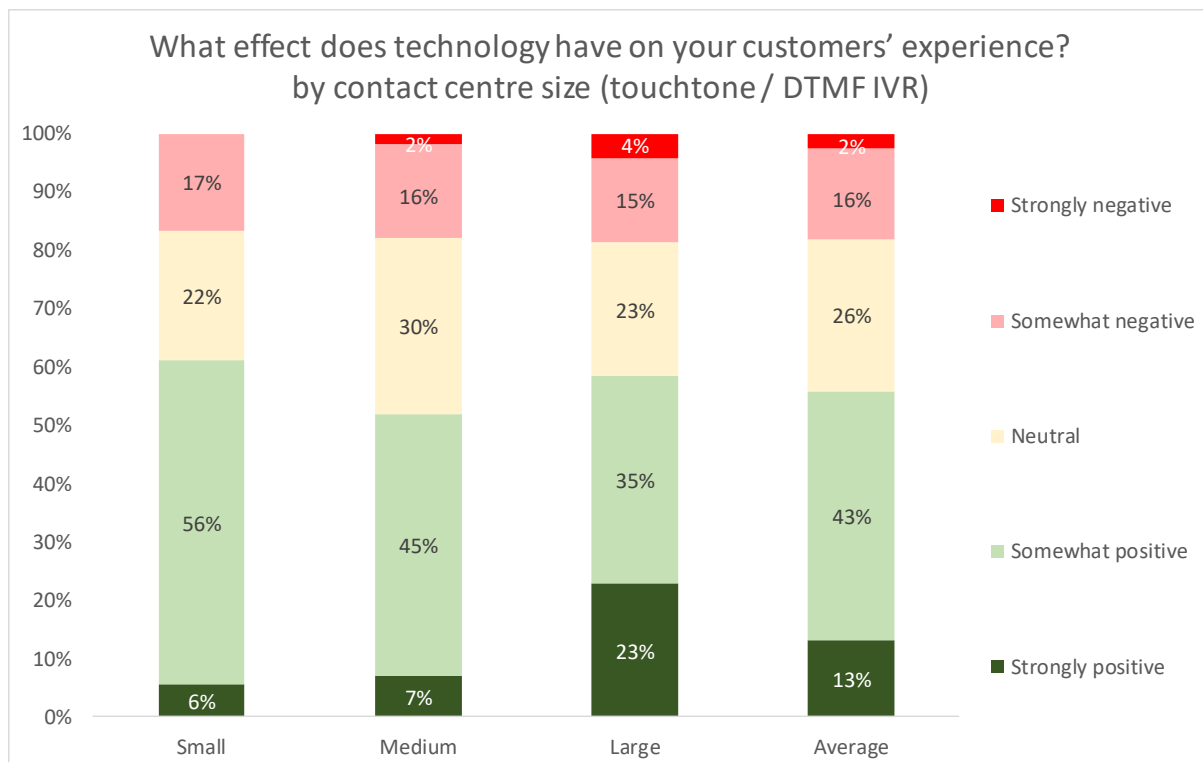
Omnichannel describes the goal of customers being able to contact (and be contacted) through any channel - switching between them during the interaction as appropriate, while taking any relevant data and history along with them – with a single, unified view of the customer's journey being available to the agent. For true omnichannel, the platform, infrastructure, applications and resources need to be available to identify, route and switch interactions between agents and channels seamlessly, while keeping all relevant data gathered in the course of the interaction: larger operations are more likely to have had the investment made to deliver this sort of experience.

A key aim of omnichannel is to provide a consistency of customer experience, and this requires access not only to the same master dataset, but also the same knowledge bases and business logic must be applied equally. There must be real-time data flow and updates between channels and databases, as without this, consistency is impossible.

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

Businesses using omnichannel are very positive about the effect on customer experience, especially those with the largest contact centre operations.

**Figure 36: What effect does technology have on your customers' experience? by contact centre size (omnichannel / customer engagement hub)**
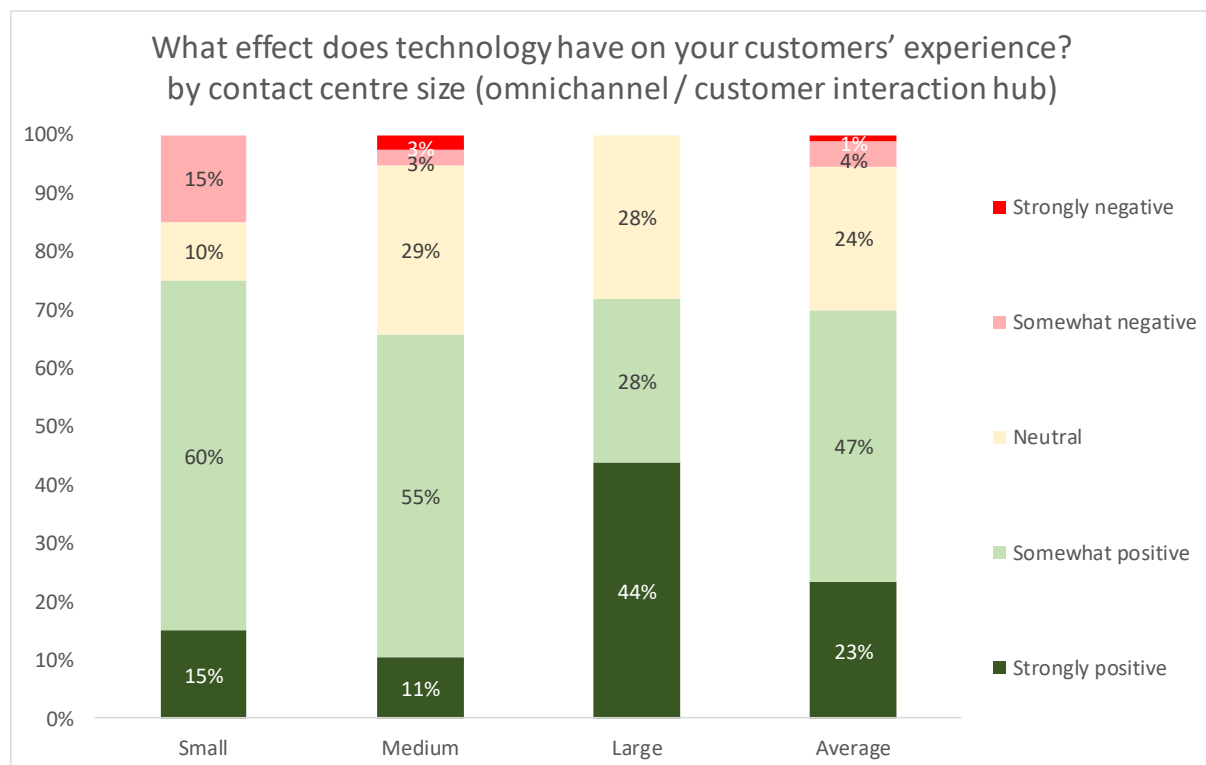
Web chat offers an organisation a chance to cut costs through running more than one chat session at a time with customers, using the time that a customer spends reading and replying to an agent's response to deal with other customers concurrently, with 2 or 3 chats being seen as sustainable.

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

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

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

Figure 37: What effect does technology have on your customers' experience? by contact centre size (web chat)
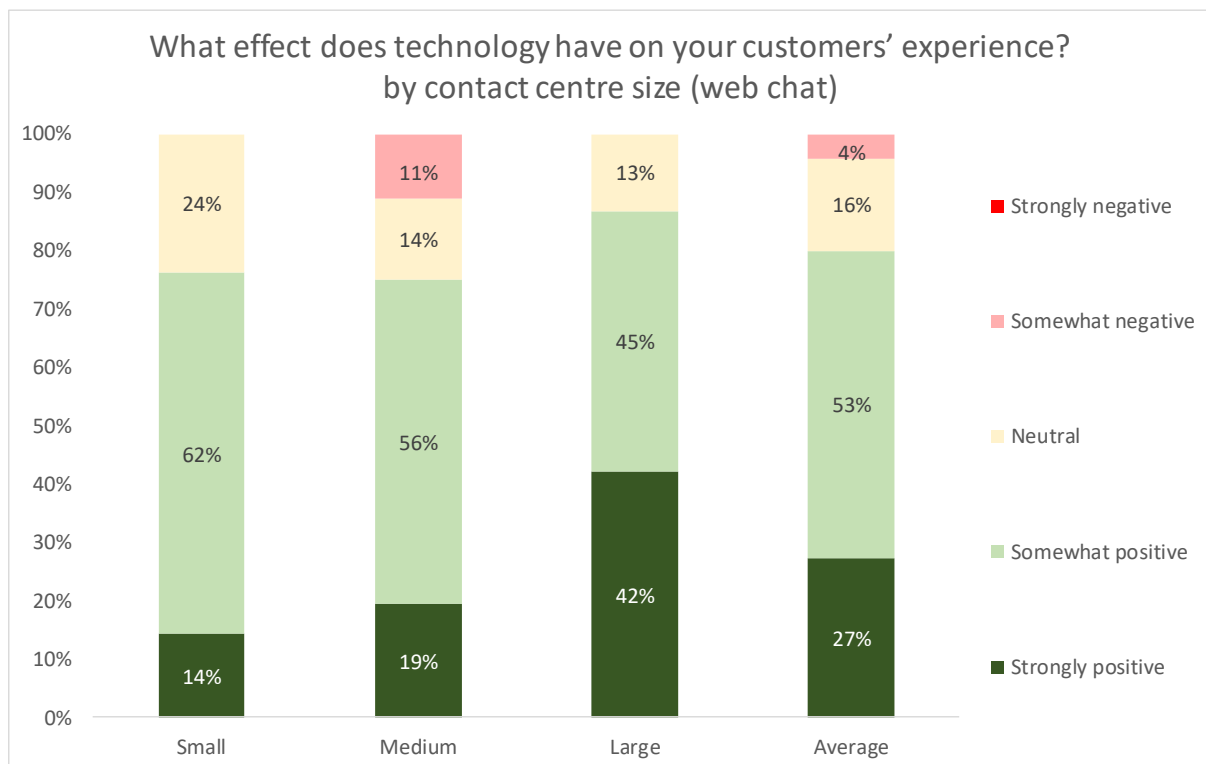
Many of today's contact centres use complicated, multiple applications, often only loosely-linked, which require skilled and experienced agents to navigate, let alone to manage interaction with customers successfully at the same time. Even after the call is completed successfully, each system may need specific inputs from the agent in order to start the required back-office processes, or to keep each database consistent with the others. The result is that even though a contact centre may be staffed with experienced, hard-working and skilled staff, its overall performance is suboptimal, leading to lower profits, customer satisfaction and unnecessary costs, as well as downstream service issues.

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

The rapidly growing addition and use of new channels is only making this need more urgent. Role-based performance dashboards and real-time reporting of analysis means that insight into the contact centre's efficiency and effectiveness can be shared immediately, with relevant business users, without the need for high levels of user expertise and experience before the full value can be realized.

Although the unified desktop can be seen as an internally-focused technology, the vast majority of respondents believe that its ability to provide in-call support to agents and reduce downstream errors has a very beneficial effect upon customer experience.

Figure 38: What effect does technology have on your customers' experience? by contact centre size (unified agent desktop)
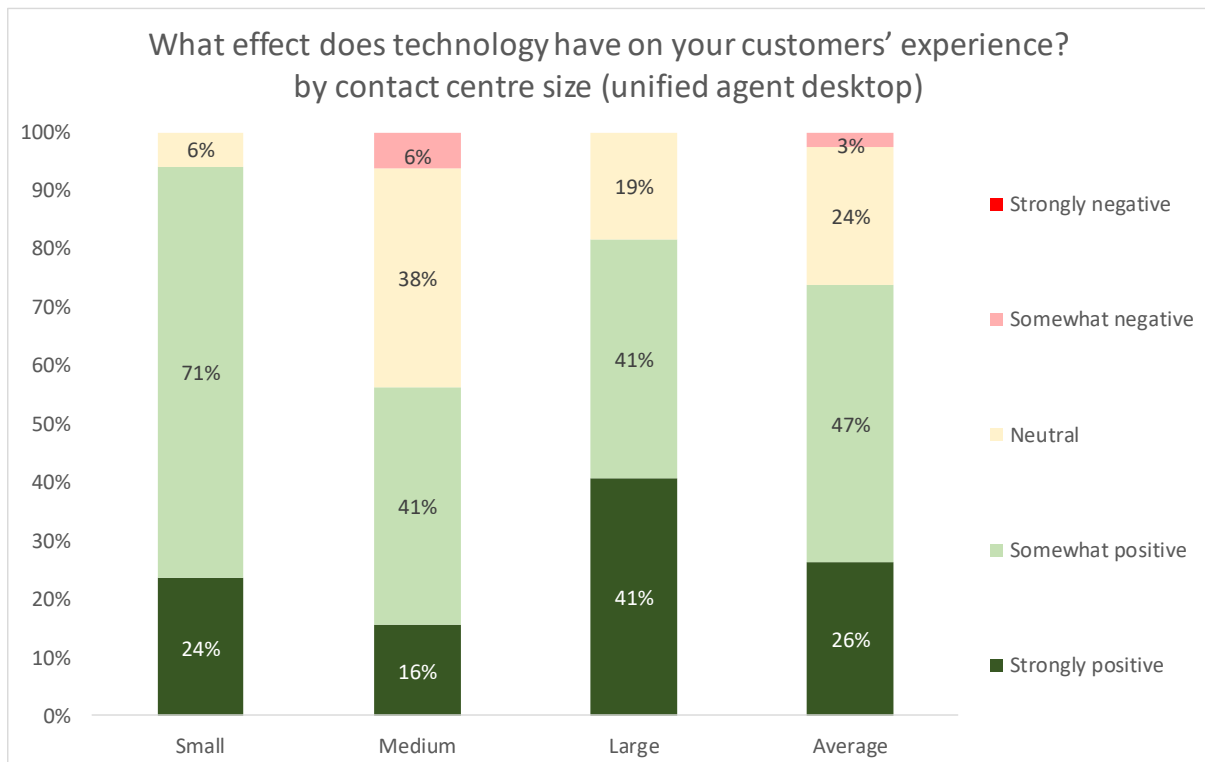
Interaction analytics can be used in many different ways to address various business issues. This is an advantage - it is hugely flexible - but it can also make its message to the market more complicated. However, depending upon how interaction analytics is used, it can assist in:

- agent improvement and quality assurance

- business process optimisation

- avoidance of litigation and fines

- customer satisfaction and experience improvements

- increases in revenue and profitability

- improvements in contact centre operational performance, and cost reduction.

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

Amongst the survey respondents which use interaction analytics, there is a strong and growing feeling that it impacts positively upon the customer experience, despite a large amount of interaction analytics being done historically with the benefits to the customer not being as immediately apparent as a customer-facing technology such as web chat.

Figure 39: What effect does technology have on your customers' experience? by contact centre size (interaction analytics)
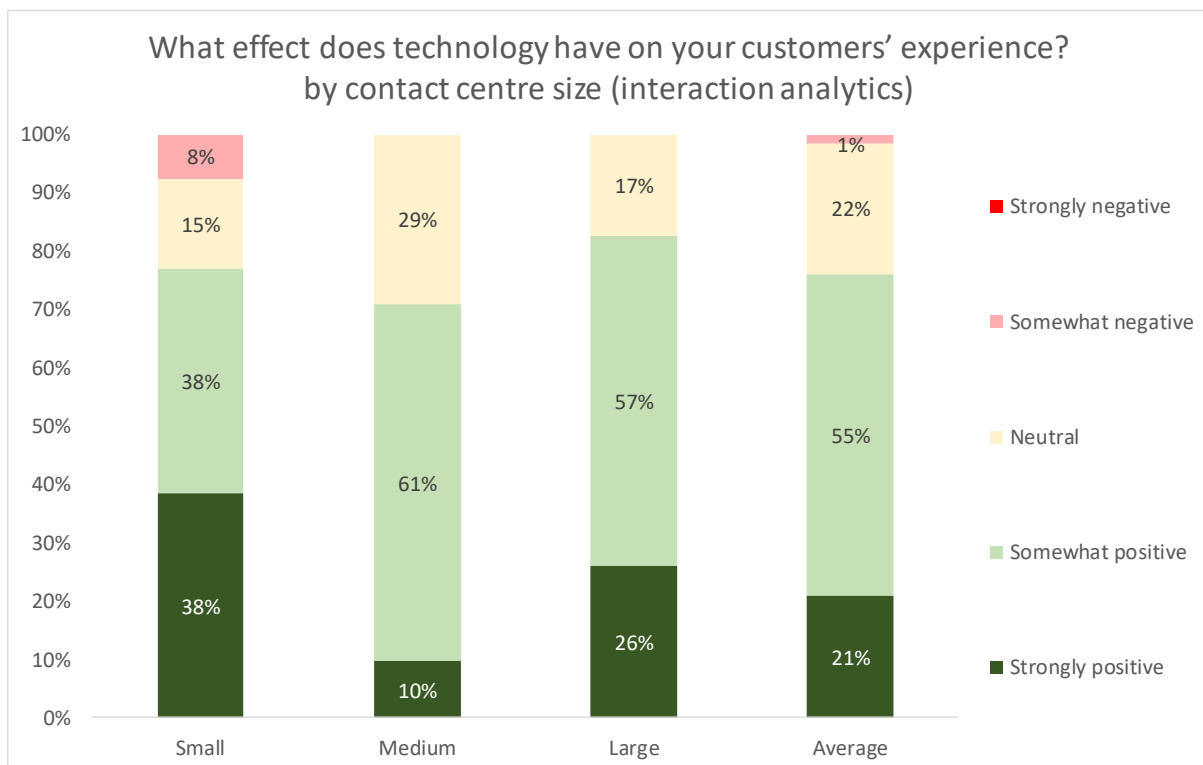
Despite the wider and more powerful functionality that automated speech recognition (ASR) gives to an IVR system, significant inhibitors have been present in the past. It is generally acknowledged that speech recognition can be considerably more expensive to implement than DTMF IVR, and is also likely to require significant, highly-paid in-house resource to fine-tune and operate it going forward. Some solution providers note that the majority of businesses' interest in moving from DTMF to speech recognition comes when the existing telephony self-service legacy system is approaching end-of-life.

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

Survey respondents are generally positive about the effect that speech recognition has had on the customer experience, but there are more neutral responses given for ASR than for many of the other technologies surveyed.

Figure 40: What effect does technology have on your customers' experience? by contact centre size (automated speech recognition)

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What effect does technology have on your customers' experience? by contact centre size (automated speech recognition)
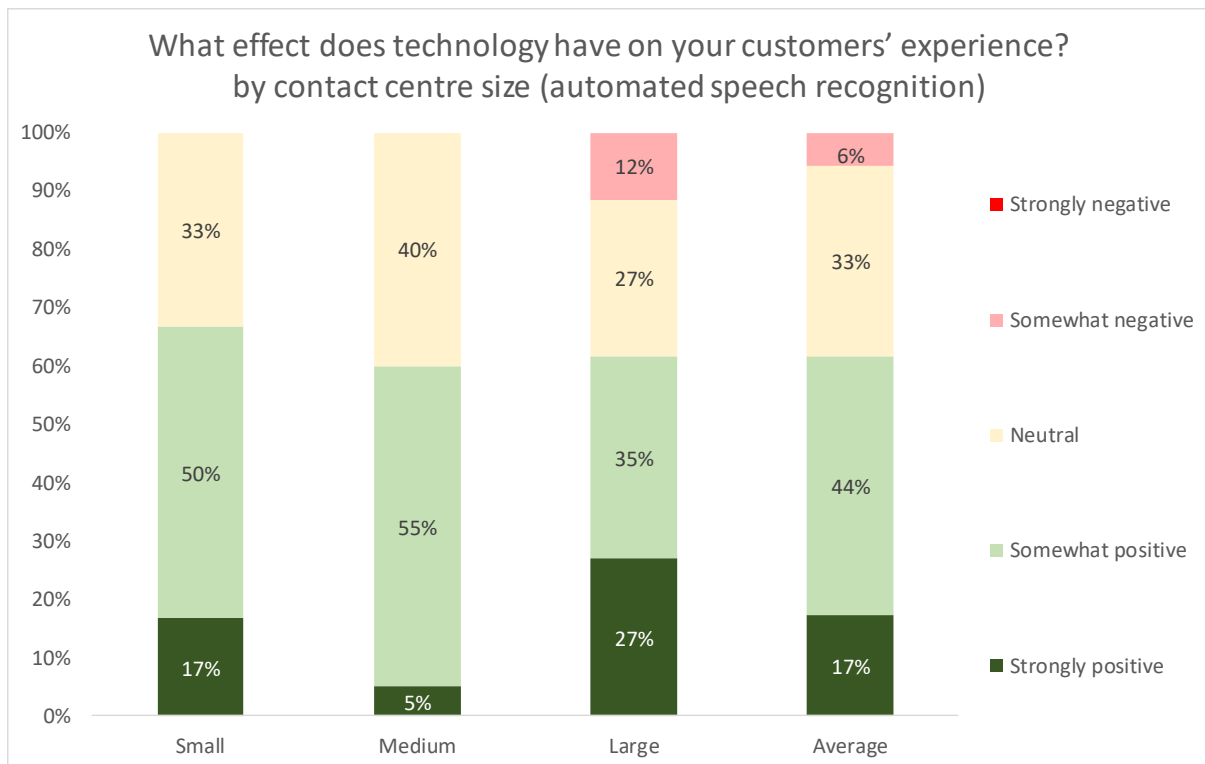
Customer interaction analytics offers huge opportunity to gain business insight, improve operational efficiency and develop agent performance. In fact, the list of potential applications for this technology is so high that businesses could be forgiven for being confused about how to target and quantify the potential business gains.

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

Figure 41: Usefulness of analytics for improving CX

Figure 41: Usefulness of analytics for improving CX
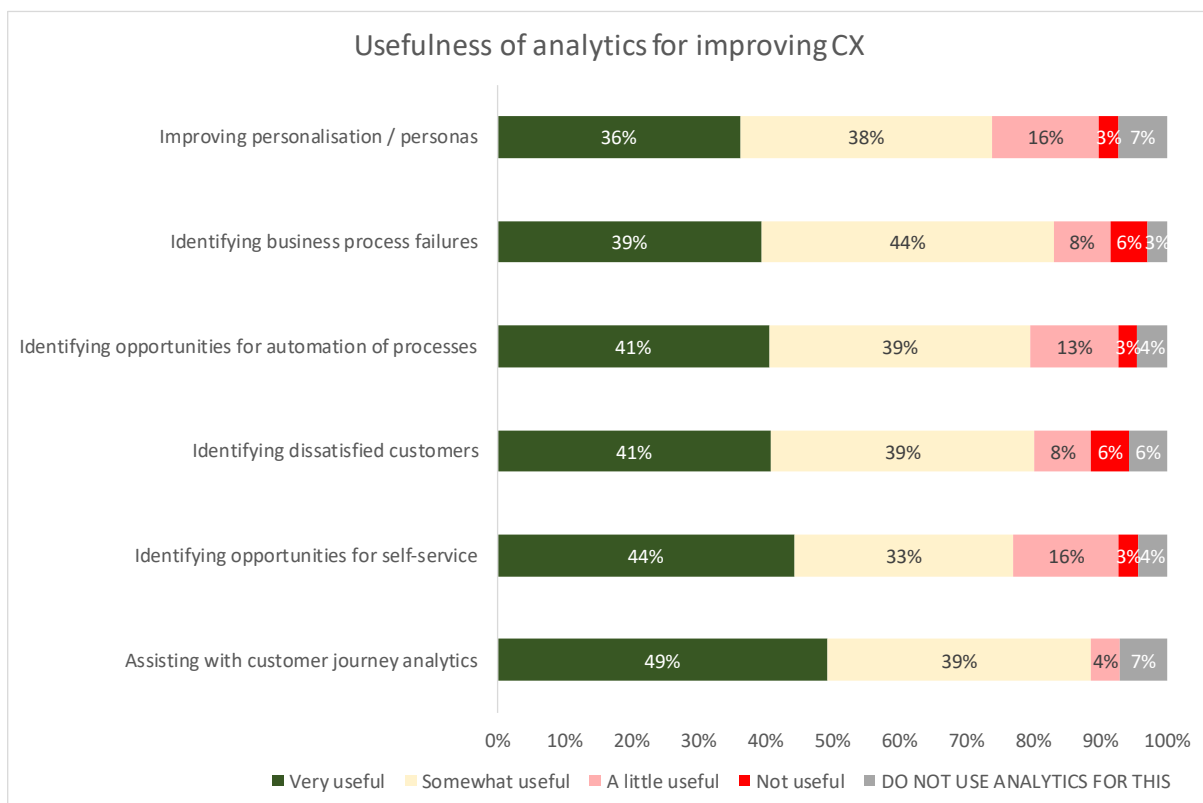
The overall conclusions were surprisingly consistent: in most analytics use cases, between one-third and a half of respondents stated that it was 'very useful' with a slightly smaller percentage saying that it was 'somewhat useful'.

Assistance with customer journey analytics gained the greatest proportion of very positive responses. Analytics' usefulness in improving customer personalisation received the most lukewarm responses, but this still easily outweighed those who thought it of little or no use for this purpose.

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

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

THE VIEW FROM THE BUSINESS

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

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

What do you believe is the importance of these factors to a customer when contacting your organisation?
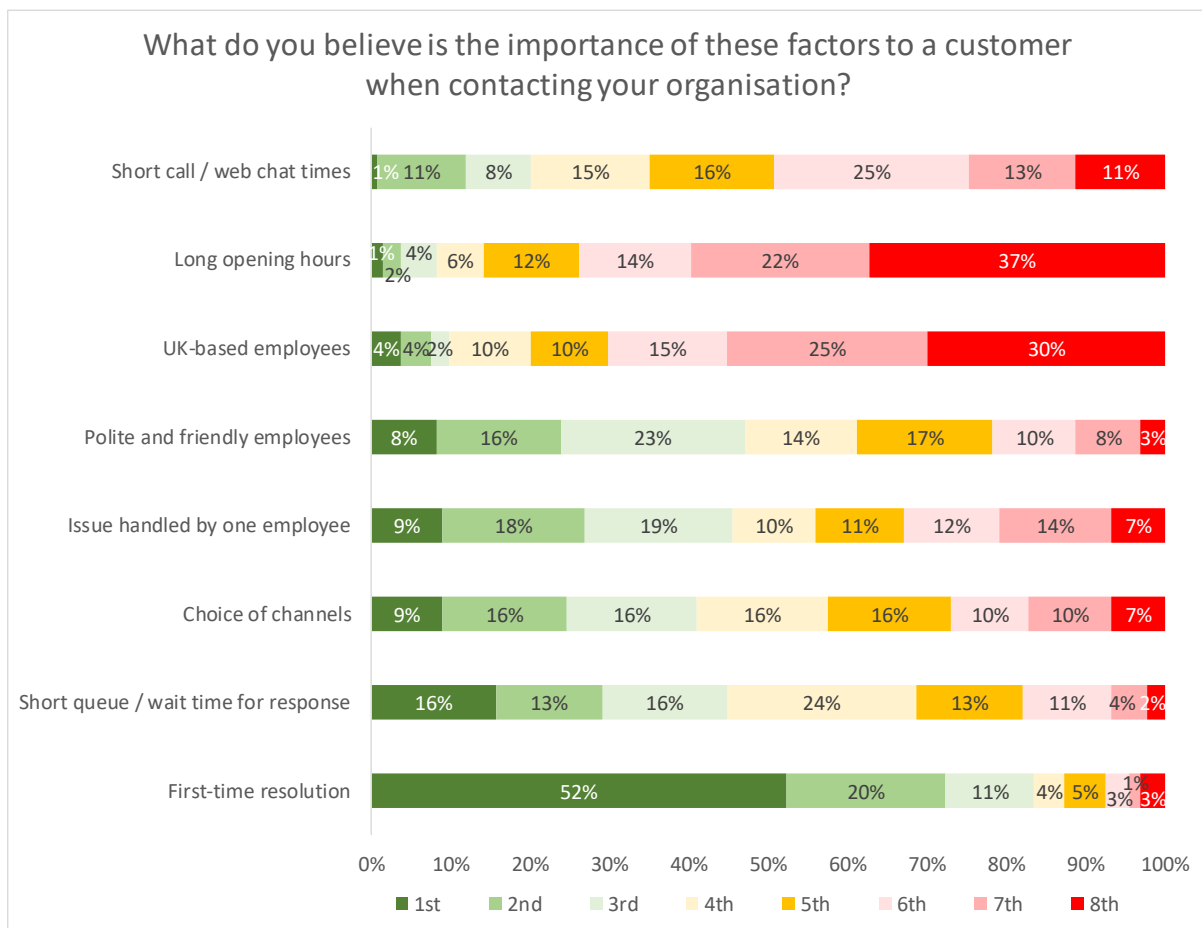
As with many past ContactBabel surveys, first-time resolution was clearly seen as being the most important factor impacting upon customer experience, with 52% of respondents ranking it in first place, and a further 31% placing it within the top three.

A short queue time or wait time for a response was also seen as being important, being ranked in the top 3 by 45% of respondents, with polite and friendly employees being ranked in the top 3 by 47% of organisations surveyed. Having the issue handled by a single employee was placed in the top 3 by 46% of respondents.

Looking at responses based on B2B/B2C segmentation, B2B respondents were more likely to judge a short queue/wait time for response as being important, and also placed slightly more emphasis on having a choice of channels. Long opening hours were rarely seen as an important part of improving the customer experience, probably because the nature of the customer base is that they will only wish to talk to an organisation within their own working hours.

Figure 43: What do you believe is the importance of these factors to a customer when contacting your organisation? (B2B)

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

Factor	1st	2nd	3rd	4th	5th	6th	7th	8th
Long opening hours	2%	6%		4%	10%	24%		53%
Short call / web chat times	2%	10%	6%	20%	18%	31%	8%	4%
UK-based employees	4%	2%	12%	14%	12%	31%		24%
Polite and friendly employees	8%	14%	18%	20%	16%	14%	4%	4%
Choice of channels	8%	22%	14%	10%	12%	14%	12%	6%
Short queue / wait time for response	10%	12%	29%	14%	14%	12%	4%	4%
Issue handled by one employee	14%	18%	18%	12%	14%	2%	16%	4%
First-time resolution	53%	20%	12%	4%	6%	4%		
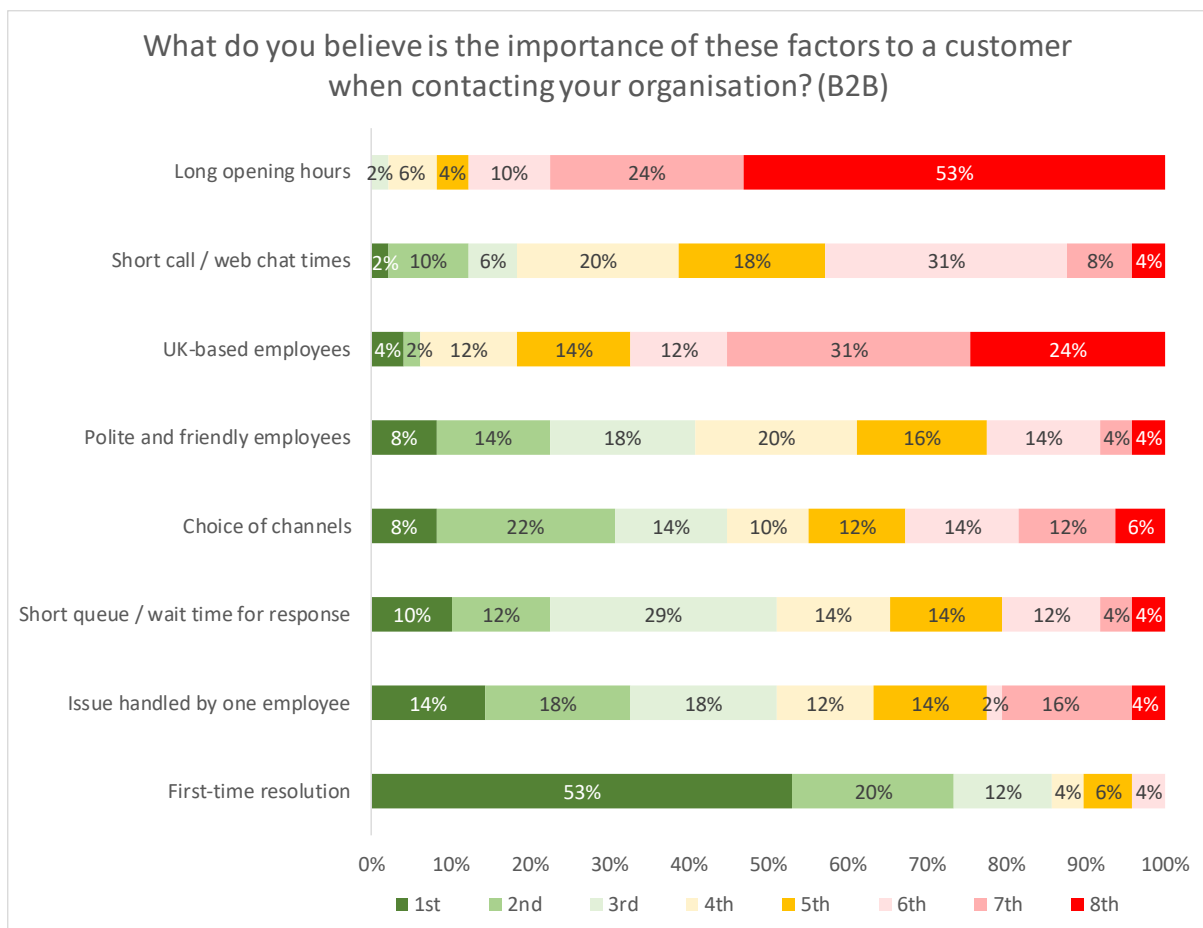
There is little real difference between B2B and B2C respondents in this analysis: B2C are a more likely to believe that UK-based employees make a difference (although there is little belief even amongst B2C respondents that this make a real difference), and that polite and friendly employees are important to the customer experience, but there are few major differences of opinion.

Figure 44: What do you believe is the importance of these factors to a customer when contacting your organisation? (B2C)

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

Factor	1st	2nd	3rd	4th	5th	6th	7th	8th
Short call / web chat times	12%	9%	12%	14%		21%	16%	15%
Long opening hours	2%	4%	6%	6%	16%	16%	21%	28%
UK-based employees	4%	5%	4%	9%	7%	16%	22%	33%
Issue handled by one employee	6%	18%	19%	9%	9%	18%	13%	8%
Polite and friendly employees	8%	16%	26%	11%	18%	8%	11%	2%
Choice of channels	9%	12%	18%	20%	18%	7%	9%	7%
Short queue / wait time for response	19%	14%	8%	29%	13%	11%	5%	1%
First-time resolution	52%	20%	11%	4%	5%	2%	2%	5%

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

54

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

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

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

Figure 45: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by age range)

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

Factor	16-24	25-34	35-44	45-54	55-64	65+
Short call/ web chat times	18%	33%	26%	16%	15%	9%
Long opening hours	30%	32%	26%	20%	20%	9%
A choice of ways to communicate	40%	28%	33%	25%	22%	26%
Issue handled by one employee	21%	34%	27%	37%	29%	41%
Polite and friendly employees	57%	32%	37%	33%	37%	33%
Short queue/wait time for response	43%	56%	53%	58%	52%	52%
Your question/issue is solved first-time	47%	44%	57%	56%	57%	60%
UK-based employees	43%	43%	40%	56%	69%	70%

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

For example, 47% of the youngest age group (16 to 24 years old) stated that first contact resolution was one of their top three most important factors, whereas 60% of the oldest age group (over 65 years old) placed this in their top three.

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

- both businesses and consumers agree that first contact resolution is the most important single factor impacting upon customer experience when contacting a business ('first contact resolution' is joint first with consumers, alongside 'UK-based agents')

- a short queue/wait time for response is also seen as being a vital part of the customer experience

- having UK-based employees is seen as far more important to customers than businesses believe

- having long opening hours is quite important to younger customers, whereas businesses place this amongst the least important customer experience factors.

When considering these findings from the perspective of the various age ranges, the importance of first contact resolution is considerably higher in the older age ranges, as is having UK-based employees. There is also a pattern that older age-groups are less likely to be happy with being passed between agents.

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

However, the youngest age group are not willing to sacrifice courteous service for time saved, as 57% of this cohort place 'polite and friendly employees' in the top three factors, making it their no.1 most important factor. This may be because the youngest age group have the least experience of dealing with businesses and contact centres, perhaps lacking some of the confidence that comes with years of speaking with businesses, and to have a friendly and approachable agent seems to be valued very highly.

When segmenting the consumer data by socio-economic group, AB respondents are those who are keenest to have a choice of ways to communicate, long opening hours, a short wait time and short call duration: factors impacting upon their time.

C1, C2 and DE respondents are most likely to state that having UK-based employees is important for their customer experience, and also value first contact resolution.

All groups place similar emphasis on polite and friendly employees, and generally speaking, the differences between socioeconomic groups are not major.

Figure 46: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by socioeconomic group)

What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by socioeconomic group)
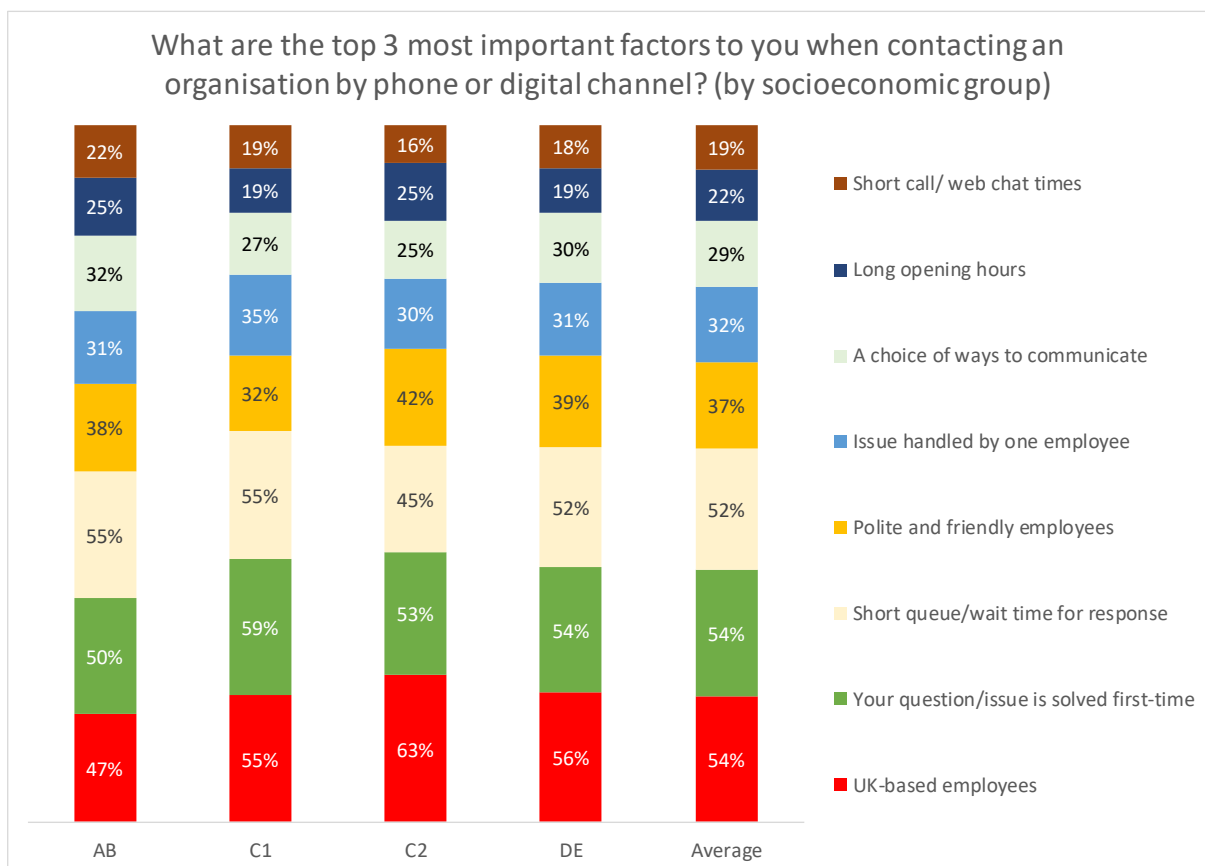
The previous year's survey found a strong desire for longer opening hours[1], which led us to ask a question this year to gauge for how long a contact centre is expected to be open.

The following chart shows the number of weekly hours that respondents' contact centres are open, segmented by contact centre size. The range of weekly hours can be exemplified as follows:

- Less than 40 hours: 0930-1700 Mon-Fri (37.5 hours)
- 40-49 hours: 0900-1730 Mon-Fri (42.5 hours)
- 50-59 hours: 0800 – 1900 Mon-Fri (55 hours)
- 60-69 hours: 0800 – 2000 Mon-Fri, Sat morning 0900-1300 (64 hours)
- 70+ hours: 0800-2200 Mon-Fri, Sat 0900-1700, Sun 1000-1600 (82 hours)

As might be expected, all very large contact centres opened in excess of 70 hours per week, with half of smaller operations being open less than 50 hours per week.

Figure 47: Contact centre weekly opening hours, by contact centre size

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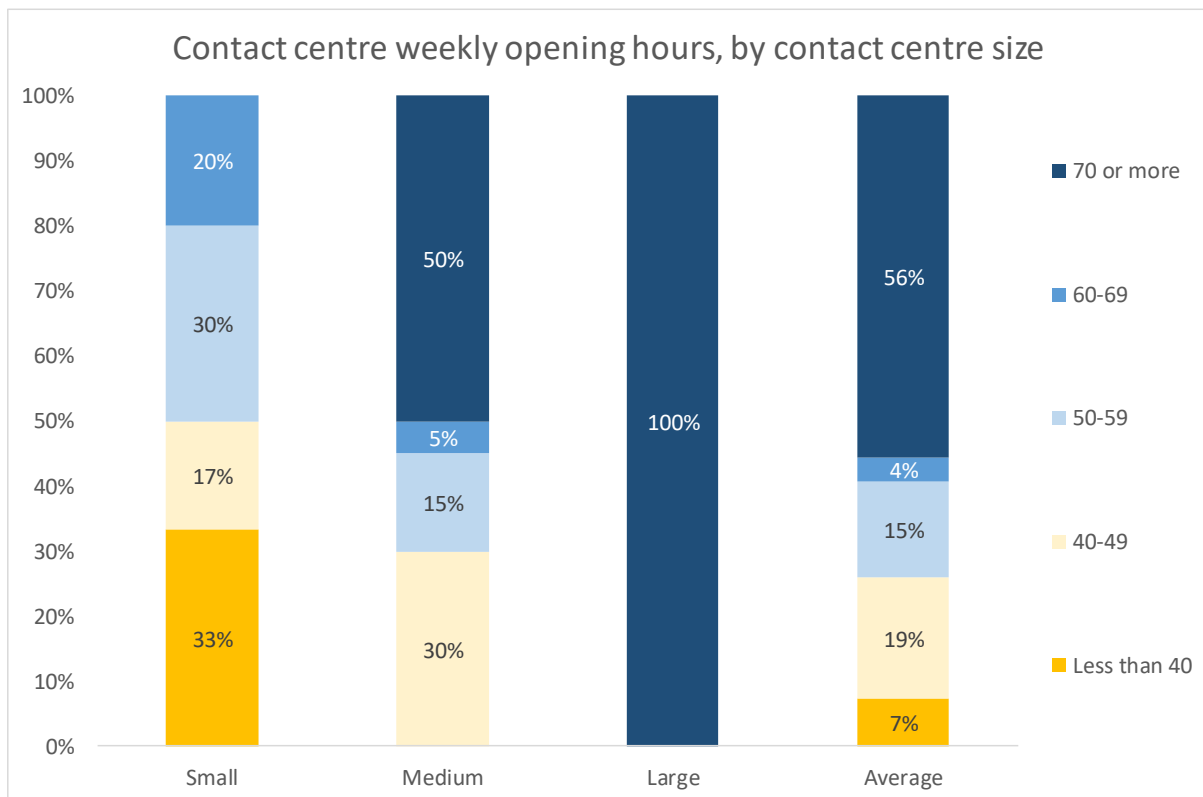
[1] The 2019-20 survey data found much less importance being placed on longer opening hours than in the 2018-19 survey. One possible explanation for this is that the description has changed from "24/7 availability" to "Longer opening hours". The latter term may not be as familiar or clear to the respondent group, leading to a downplaying of this factor's importance. Future years will use "24/7 availability" as a consistent description.

B2C operations are more likely to be open for longer hours, as might be expected: B2B operations would be expected to be open within core working hours (e.g. 0900-1730 M-F) and not otherwise, and this is a fairly reasonable assumption, although one-third of these B2B respondents are open for more than 60 hours per week.

57% of B2C contact centres serve their customers more than 70 hours per week, with only 19% being open less than 50 hours per week.

Figure 48: Contact centre weekly opening hours, B2B/B2C

Contact centre weekly opening hours, B2B/B2C

B2B:
- 70 or more: 17%
- 60-69: 17%
- 50-59: 20%
- 40-49: 13%
- Less than 40: 33%

B2C:
- 70 or more: 57%
- 60-69: 5%
- 50-59: 19%
- 40-49: 19%
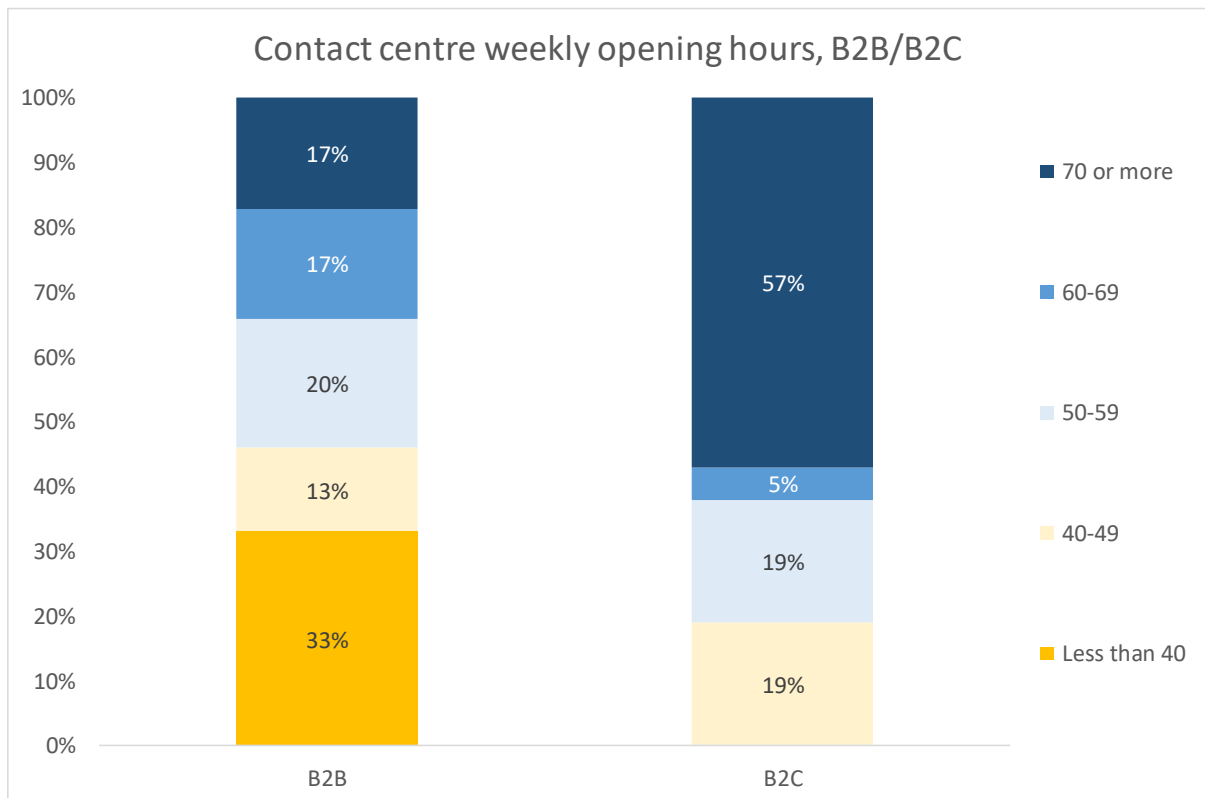
The following table shows the expectations of contact centre opening hours that UK customers have, segmented by age group.

A majority expect their phone calls to be answered at 8am on weekdays, and somewhat more expect the contact centre to be open at 6pm on the same day.

A minority expect calls to be answered in the later evenings, although 1 in 5 still believe that the contact centre should be open at 11pm.

A sizable majority expect some phone support at weekends, with Saturday morning opening seen as reasonable, although only 30%-40% expect the same on Sunday mornings.

The youngest age group have the lowest expectations of contact centre opening hours, although the difference between age groups is not particularly striking.

Figure 49: Proportion of customers expecting to be answered by a live agent at specific times / dates, by age group

Time / day	16-24	25-34	35-44	45-54	55-64	65+
8am weekdays	73%	74%	73%	73%	74%	70%
6pm weekdays	70%	76%	81%	86%	76%	75%
9pm weekdays	36%	38%	41%	39%	37%	40%
11pm weekdays	19%	23%	22%	22%	18%	23%
Saturday morning	75%	71%	79%	91%	85%	84%
Sunday morning	37%	42%	41%	37%	32%	37%

Looking at opening hours expectations by income group, the only major difference is that those with high household incomes are more likely to expect the contact centre to be open on Sunday mornings, however there is little real difference across income groups.

Figure 50: Proportion of customers expecting to be answered by a live agent at specific times / dates, by income group

Time / day	AB	C1	C2	DE	Overall
8am weekdays	75%	70%	75%	72%	**73%**
6pm weekdays	79%	76%	77%	78%	**77%**
9pm weekdays	39%	37%	40%	39%	**39%**
11pm weekdays	20%	19%	27%	22%	**21%**
Saturday morning	82%	82%	81%	78%	**81%**
Sunday morning	43%	36%	39%	34%	**38%**

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

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

- The contact centre is handling simple and repetitive calls that could be moved to self-service, or which could be addressed on a website and through better marketing communications

- Callers are dropping out of self-service to speak with agents because the self-service application is failing in its task and should be re-engineered

- Unclear marketing communications are causing customers to call

- Calls are being received that are actually driven by mistakes from elsewhere in the enterprise.

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

The dramatic drops in first-call resolution rate (FCR) in 2012 and 2016 seem to have been more of a statistical blip than a fundamental change, with the mean average over time being 75-76%. The overall trend line for FCR is declining very slightly: as the easier interactions go to self-service (especially online), the contact centre is left with more difficult and varied tasks – through email as well as phone - which can also be very complicated to categorise effectively using the current tools available to most.

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

Figure 51: First-call resolution rate (2004 - 2018)

First-call resolution rate (2004 - 2018)
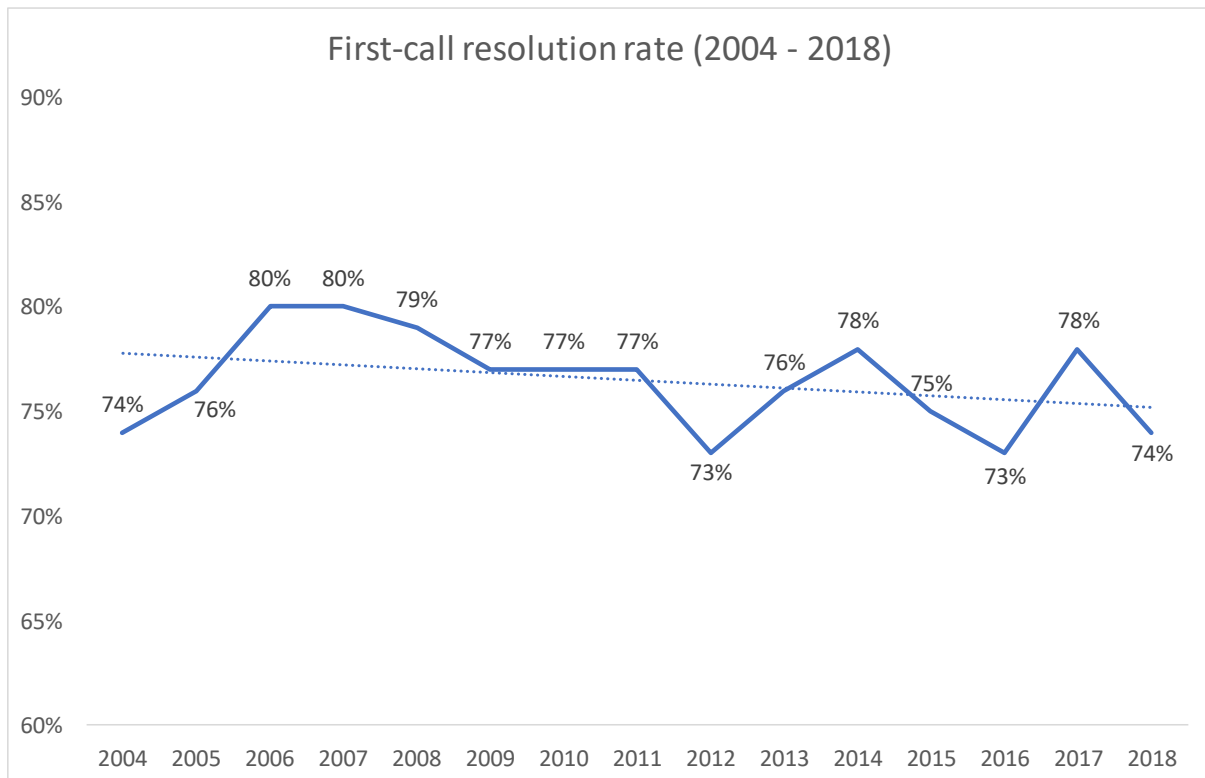
The first-contact resolution rate is an important metric to study, being concerned both with the customers' experience as well as avoiding unnecessary calls. However, it is very difficult to measure effectively, with no single best practice method of getting definitive statistics that are directly comparable to the rest of the industry. This difficulty is shown by the fact that seven or eight years ago, perhaps half of contact centres responding to this survey did not collect FCR performance at all (2018's non-responding figure is only 10%, which is an ongoing improvement).

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

- Agents provide opinions on whether the call was resolved completely, including tagging the interactions with a disposition code at the end of the call (used by 75% of respondents)

- Tracking of issues shows if they are re-opened (64%)

- Supervisors monitor calls and score based on their opinion (90%)

- Customers can be asked their views by the agent (72%) or through an IVR survey (37%)

- Analytics of interaction recordings can be used to see whether the call was actually resolved or more interactions were needed (26%).

The accurate tracking and actionable insight of FCR is one of the biggest challenges to the contact centre industry: it is key to customer satisfaction and cost management.

Figure 52: Use and effectiveness of first-call resolution measurement methods
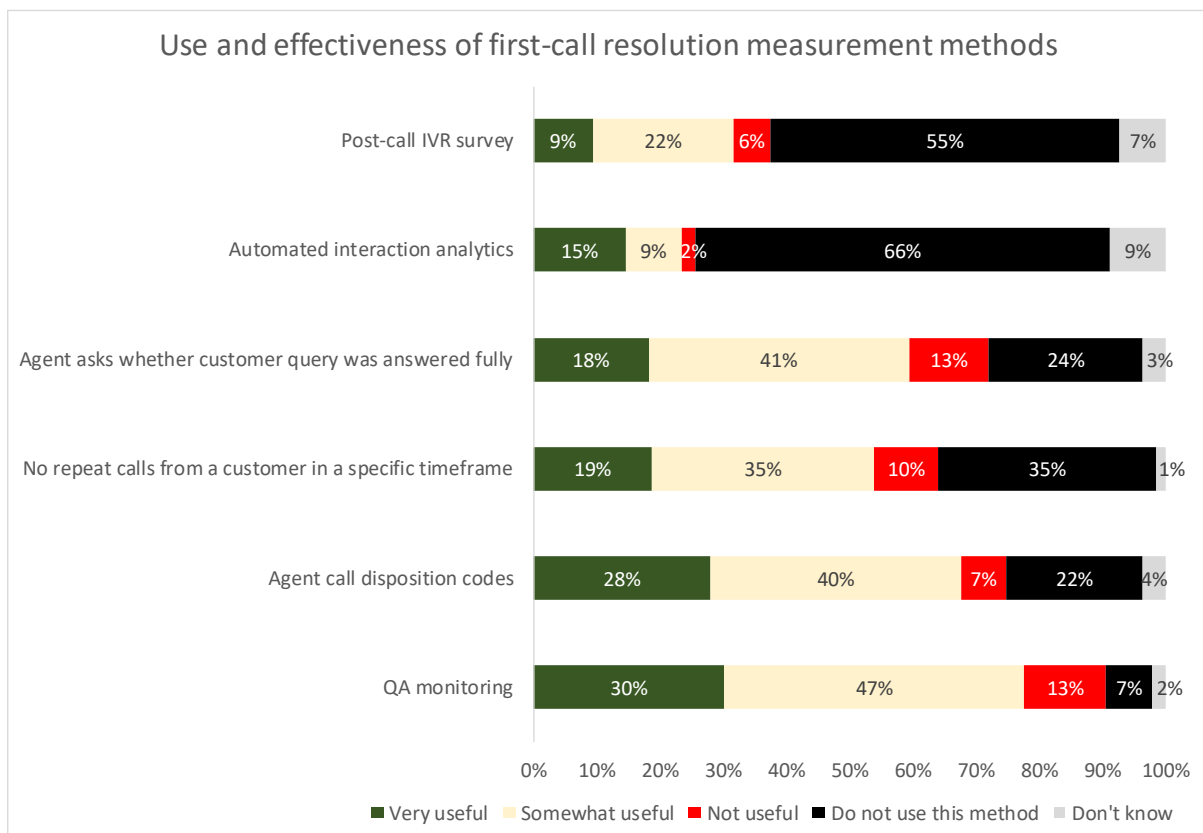
QA monitoring, the most widely-used form of gathering first-call resolution information, is seen as reasonably effective, but automated analysis of call recordings is considered the most effective by those respondents that use this method of calculating first contact resolution. Other methods have their supporters and detractors, with call disposition codes being quite well thought of.

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

The following chart shows that 36% of respondents report that more than half of their call-backs are due to failures in downstream processes and actions (or lack of them), showing that there is a real need for joined-up processes between the front and back-office as well as between channels.

Figure 53: Proportion of call-backs due to downstream business failures, by contact centre size
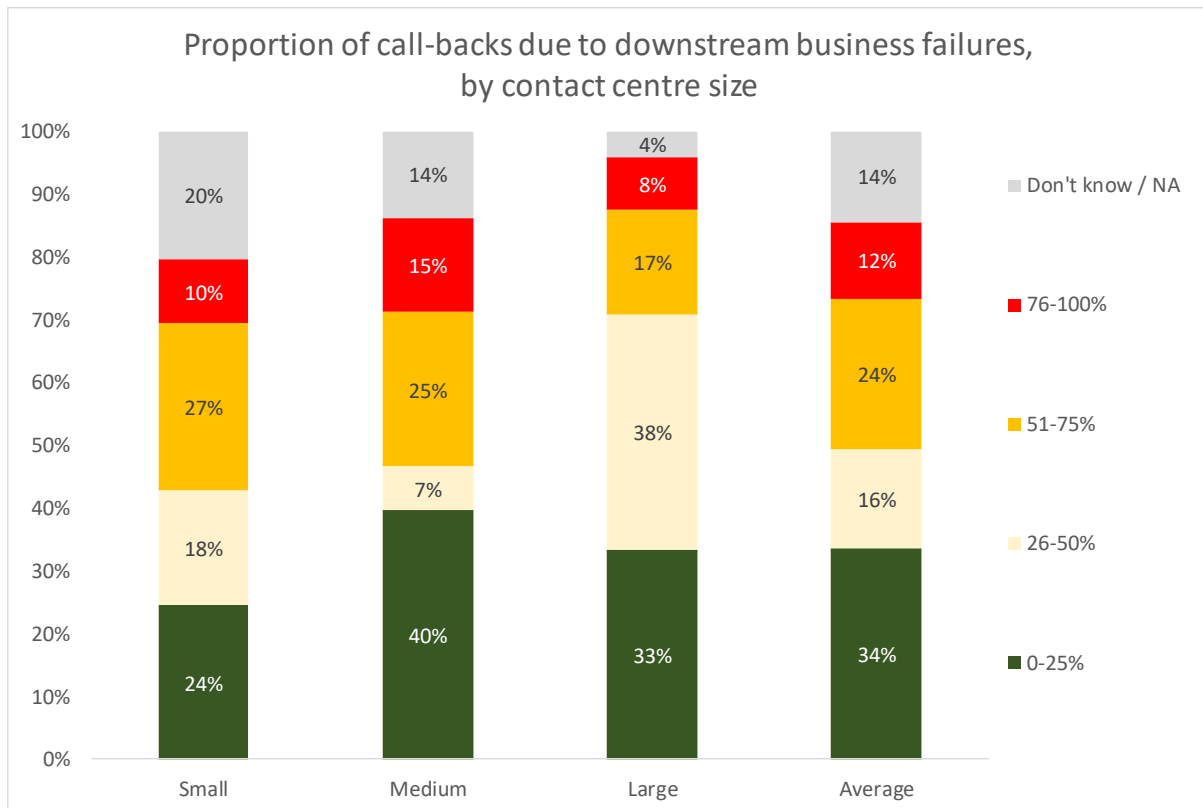
However, even if FCR can be measured successfully and accurately, this figure is still not necessarily actionable: we do not always know why some calls are not resolved first-time. Without a greater level of insight, contact centre managers may not be addressing the real issues that are impacting on customer satisfaction and the effectiveness of the operation. In the near future, we expect to see a greater use of the power of interaction analytics being directed at understanding why customers contact a business multiple times.

LIVE OR AUTOMATION?

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

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

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

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

In order to gauge the level of acceptance and expectation around fully-automated customer contact, UK organisations and consumers were asked whether automation or human assistance would be preferable to the customer base in circumstances where the customer effort, time and outcome were **exactly the same**. Bearing in mind the rapid advance and uptake in digital channels, the findings were quite surprising.

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

This was particularly the case for B2C respondents, of which 55% said that a majority of the customer base would prefer human contact over automation, against 29% who would prefer automation.

B2B respondents were more evenly divided, with 48% believing that a majority of their customer base would prefer human contact to some extent, against 33% who thought that automation would be preferred.

Figure 54: Would your customer base prefer to speak with a person or use automation, if the outcome were the same? (B2B / B2C)
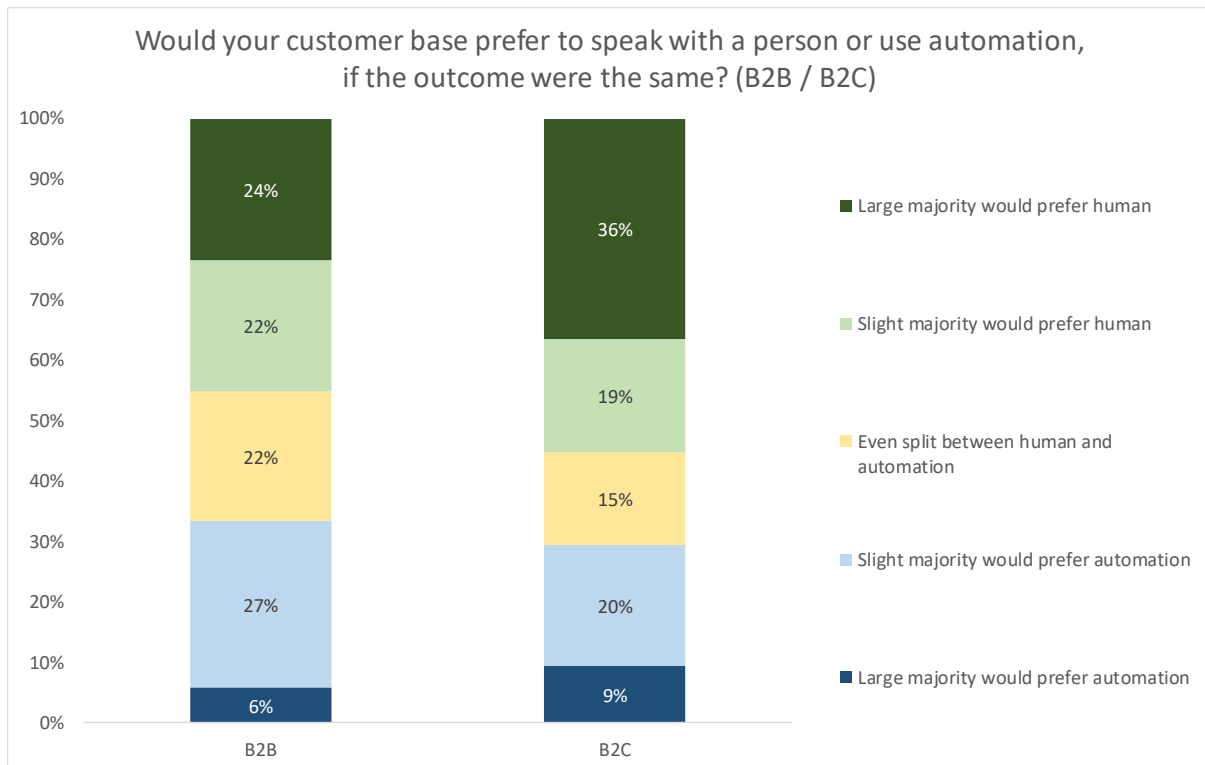
At a vertical market level, those in the housing and public sector were most likely to believe that human contact would be preferred, with many of those in finance and retail believing that their customers were more likely to choose automation.

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

Looking at the age group of the customer base, older demographics feel more strongly about human contact, with 16-44 year-old customers being the age groups most likely to have no preference or to choose to use automation. This fits in with the previous findings that this section of the customer base places more value on their time, whereas the older demographic prefers to have their issue resolved first-time by a single employee.

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

Figure 55: Would you prefer to speak with an agent or use automation, if the outcome and time were identical? (by age range)

Would you prefer to speak with an agent or use automation, if the outcome and time were identical? (by age range)
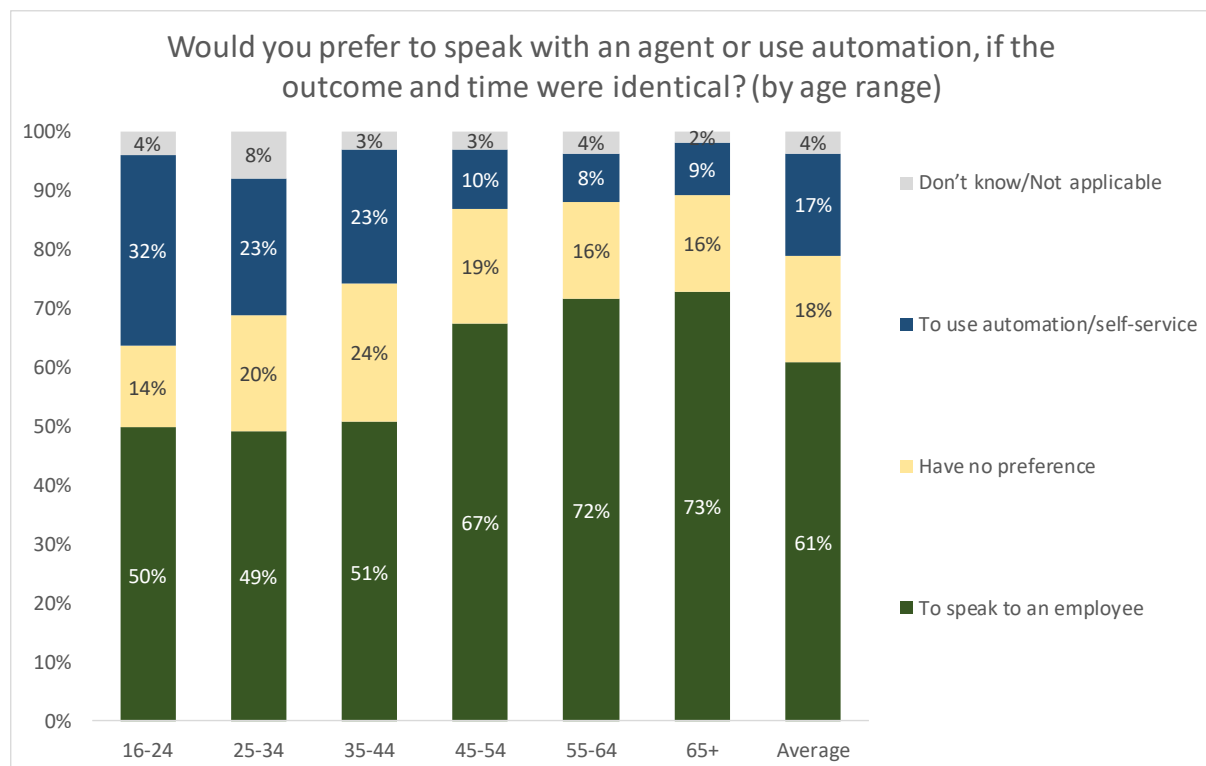
Further analysis of this data showed that 64% of men preferred to speak with an employee, compared to 57% of women.

At a socio-economic level, 65% of the AB class would prefer live contact, compared to 57% of the DE group.

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

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

The Customer Interaction Cube

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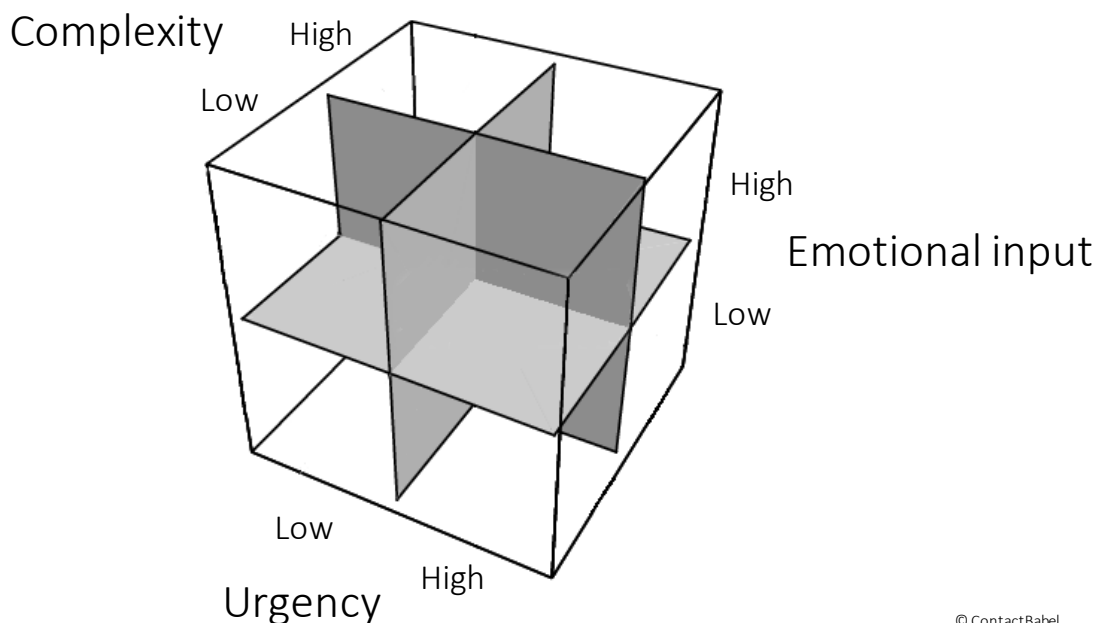
Using this 2x2x2 cube as a structure, there are eight types of interaction, a combination of either low or high urgency, complexity and emotional input. Our hypothesis is that each of these eight interaction types may best be suited to specific channels, and that both business and customer could benefit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

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

Figure 56: The Customer Interaction Cube and suggested associated channels

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

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

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

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

McKinsey talks about the 'moment of truth' in customer interactions[2], often occurring when the customer has an unexpected problem or has a high emotional stake, when long-term loyalty and customer advocacy can be won or lost depending on the outcome and the way in which it is handled. Businesses and their representatives should be aware that these relatively rare occurrences offer great opportunities. Recognizing and handling these moments of truth appropriately – moments which are defined as such by the customer, not the business – will have a far greater long-term impact on customer satisfaction and loyalty than the dozens of competently-handled, forgettable interactions that may have happened previously.

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

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[2] http://www.mckinsey.com/business-functions/organisation/our-insights/the-moment-of-truth-in-customer-service

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

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

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

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

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

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

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

As a direct result of the solutions Unify Communications implemented, First Utility (now Shell Energy) saved **£2 million a year in operational costs.**

"We looked at a mixture of resellers, some big names and a few smaller suppliers. Unify's proposal was strong in every area and came out on top. There is no doubt in my mind that going with Unify was the right choice."

John Booton – Head of Technical Operations, First Utility (now Shell Energy).

500 + Advisors
1400 Named Users
850,000 Homes Served

£2 million annualised operational saving

20 second reduction in Average Handle Time (AHT) across the board

50% reduction in agent training time.

Click to Read the Full Case Study

Happy customers include...

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

The most popular option was to email the organisation, with 46% of respondents choosing this method. The second most popular, at 19%, was phoning the contact centre, and web chat also made a strong appearance, with around 1 in 7 respondents choosing this as their preference.

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

15% of the youngest age group would choose social media, which is a major finding for businesses serving this age group.

Figure 57: Preferred method for contacting a company (high emotion interaction), by age range
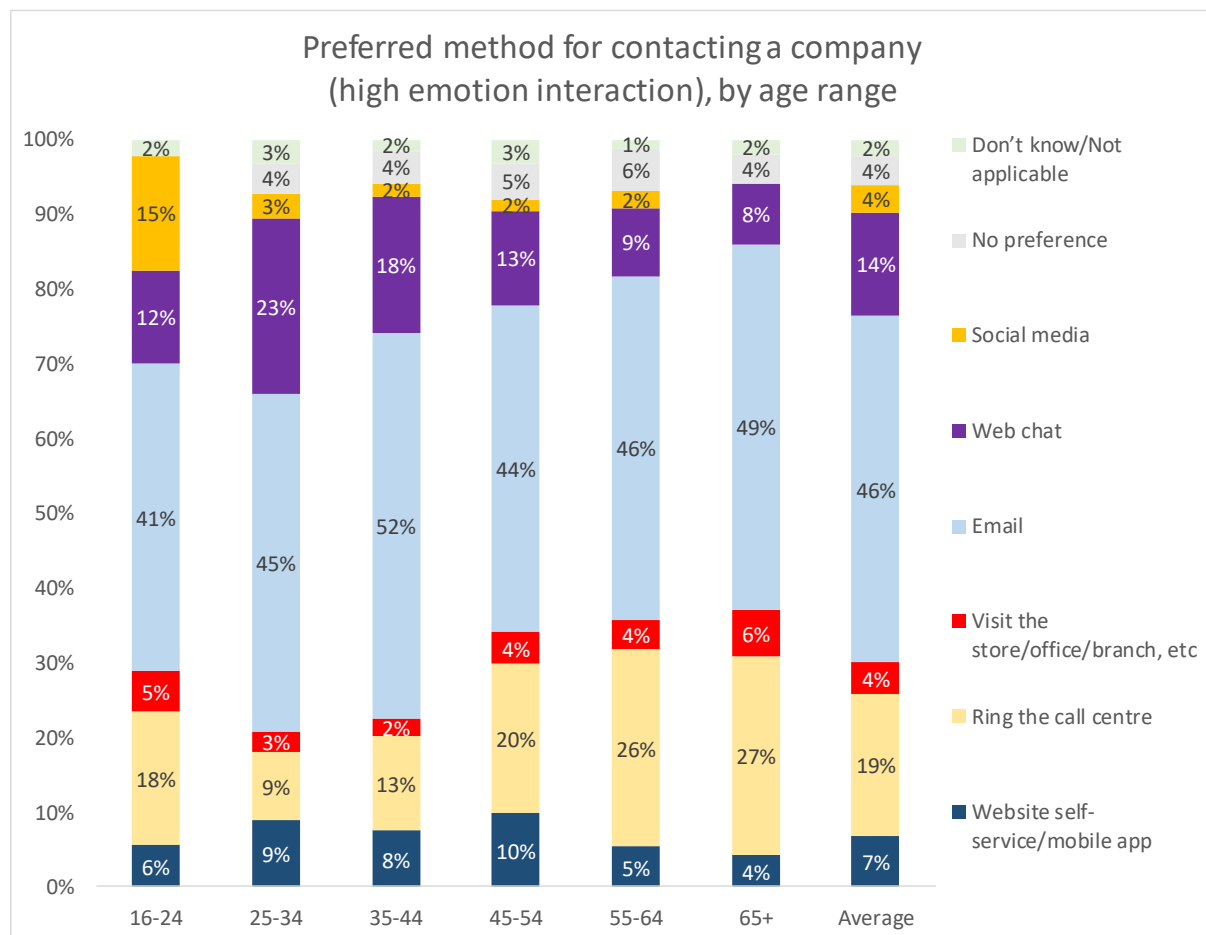
When considering the preferred method for contacting a company with a high emotion interaction, ABs were the group most likely to use web chat, although email was by far the most popular choice for all groups.

Unlike the US, there was no correlation between higher socio-economic groups and the increased use of web self-service.

Preferred method for contacting a company
(high emotion interaction), by socio-economic group
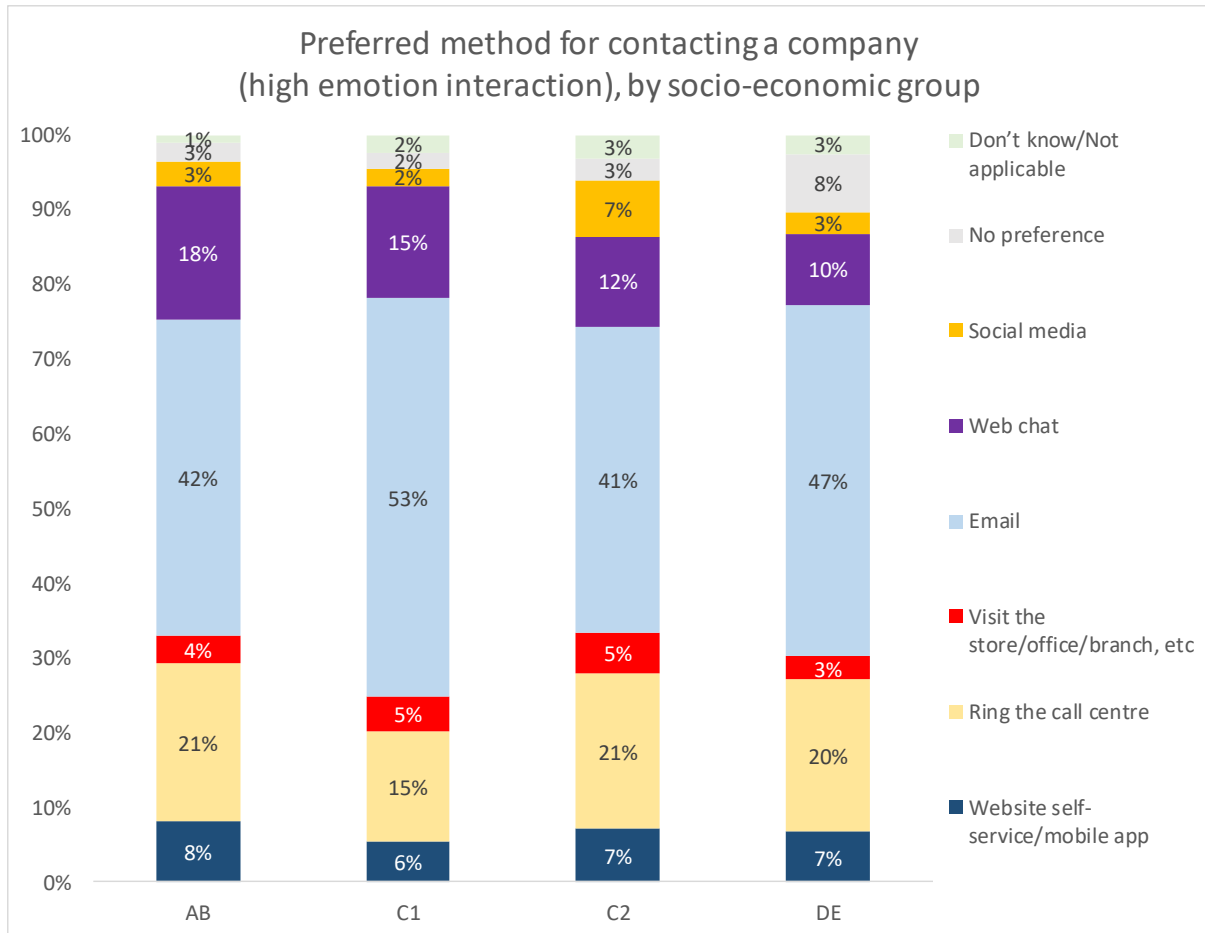
Survey respondents were asked which would be their preferred channel of choice in a situation where they were meeting somebody from a plane and needed to confirm the time at which to be at the airport.

By far the most popular channel was that of web self-service/mobile app, with all age groups choosing this as their no.1 option.

Amongst older demographics, calling the contact centre was seen as a preferred option by a considerable minority, with email and web chat generally being restricted to younger demographics.

Despite the immediacy offered by web chat and social media channels, few respondents stated that these would be their preferred method of interaction even in high urgency cases.

Figure 59: Preferred method for contacting a company (high urgency interaction), by age range
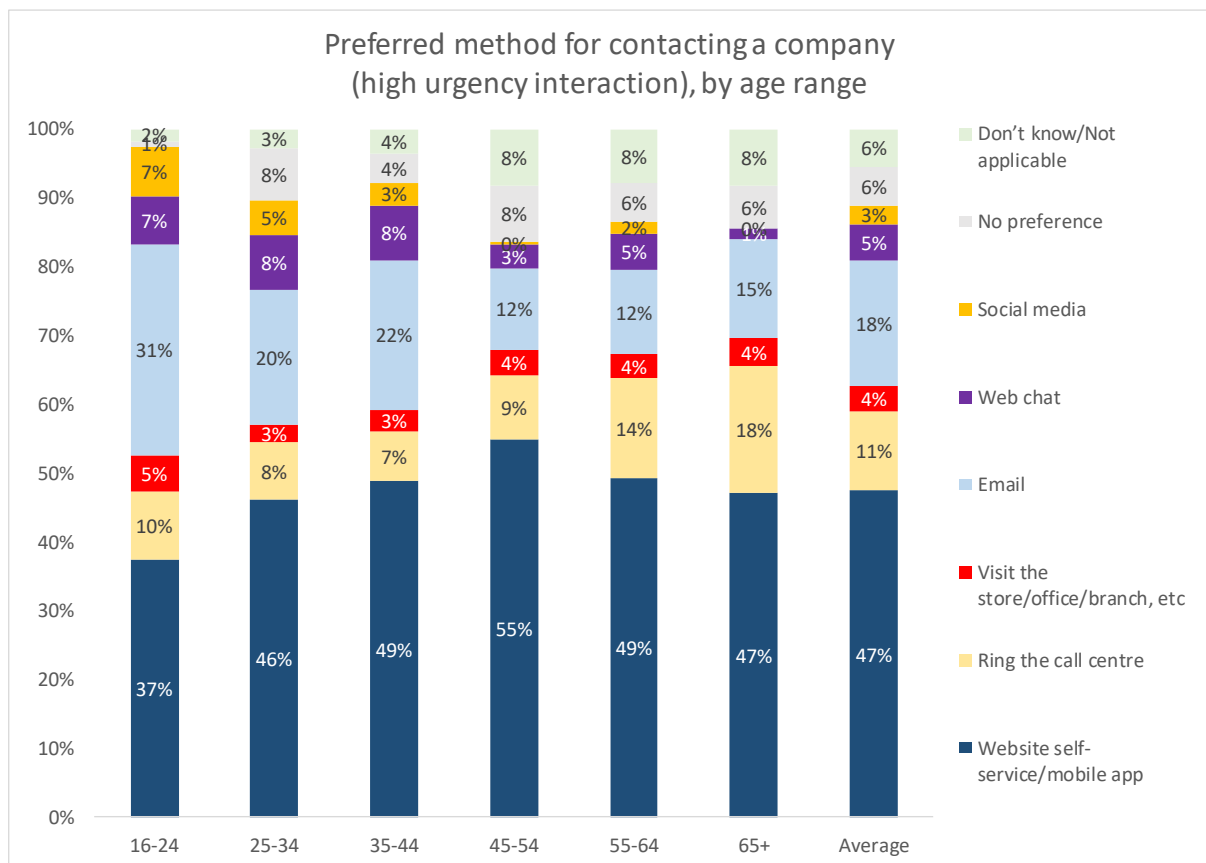
When considering socio-economic groups, web self-service was by far the most popular option for AB respondents, with the contact centre having some support with DE respondents.

Figure 60: Preferred method for contacting a company (high urgency interaction), by socio-economic group

Preferred method for contacting a company (high urgency interaction), by socio-economic group
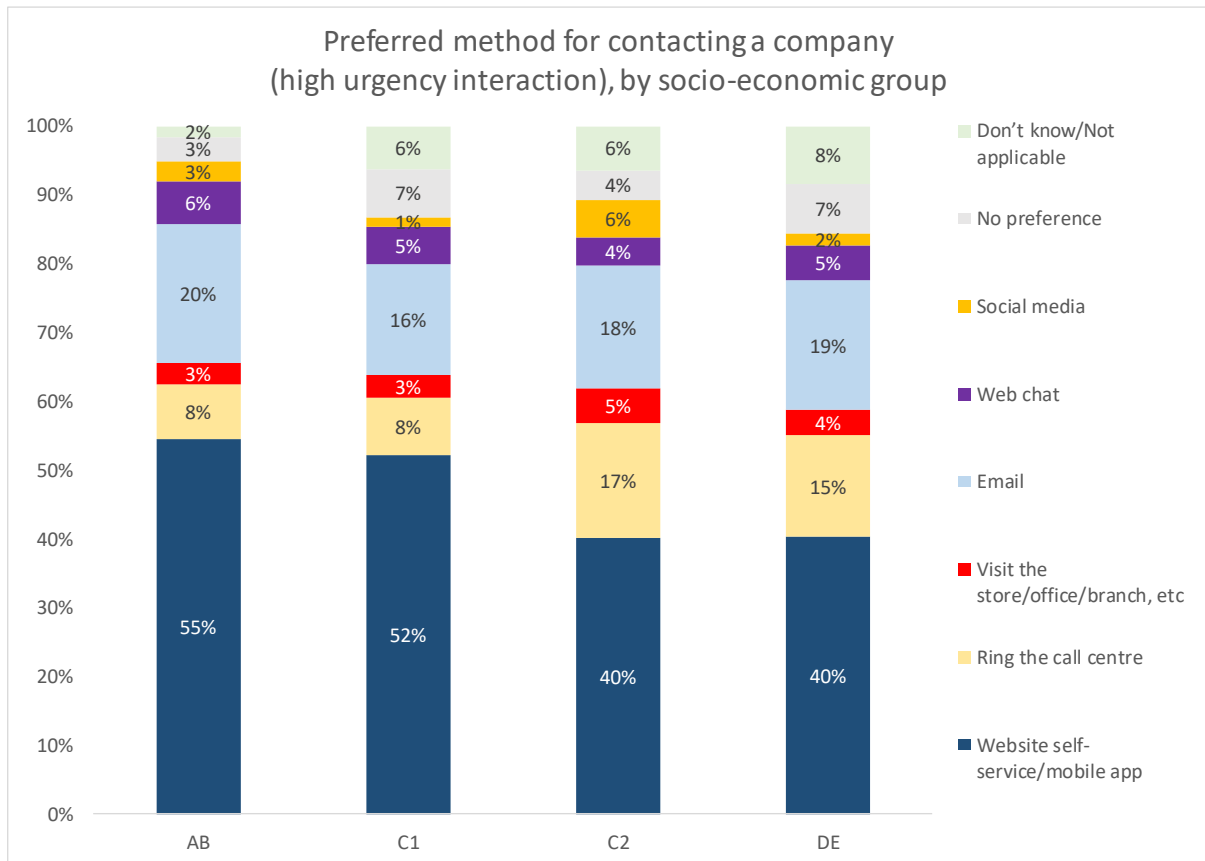
HIGH COMPLEXITY INTERACTIONS

For highly complex interactions, such as getting expert guidance with a tax form or mortgage application, the most popular contact choice was a physical visit to an office or branch, which was much more popular with the older demographic.

Calling the contact centre for advice, or using self-service had similar popularity to each other across most age groups.

It is noticeable that web self-service was a much less popular option for complex interactions than it had been for urgent enquiries.

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

Figure 61: Preferred method for contacting a company (high complexity interaction), by age range
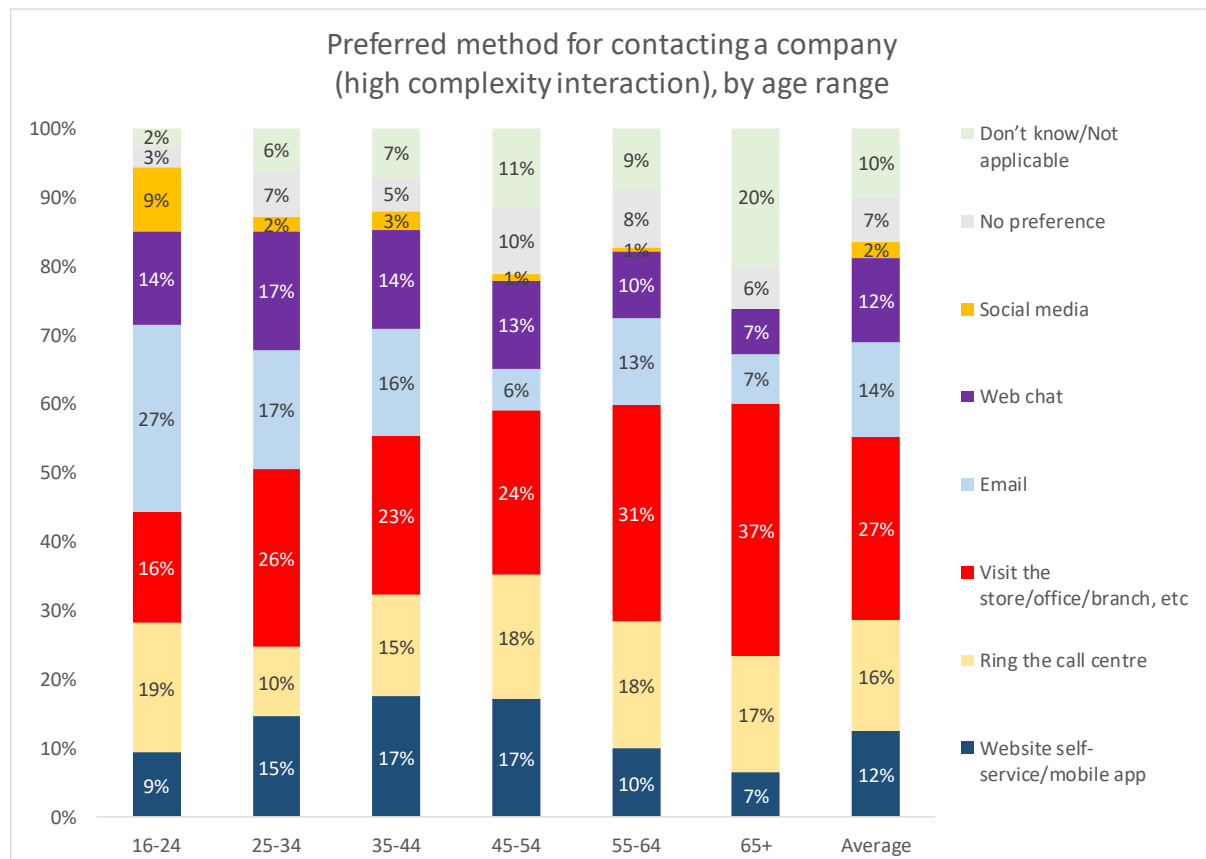
Generally speaking, communication preferences by socio-economic group were much more similar than is the case for highly urgent or emotional types of interaction, with similar proportions at each income level preferring a physical visit to an office/branch or call the contact centre.

ABC1 respondents are somewhat more likely to attempt to solve the problem through digital channels such as web self-service and web chat.

It should be noted that 17% of the DE respondents did not know how they would prefer to contact a company in this particular case.

Figure 62: Preferred method for contacting a company (high complexity interaction), by socio-economic group

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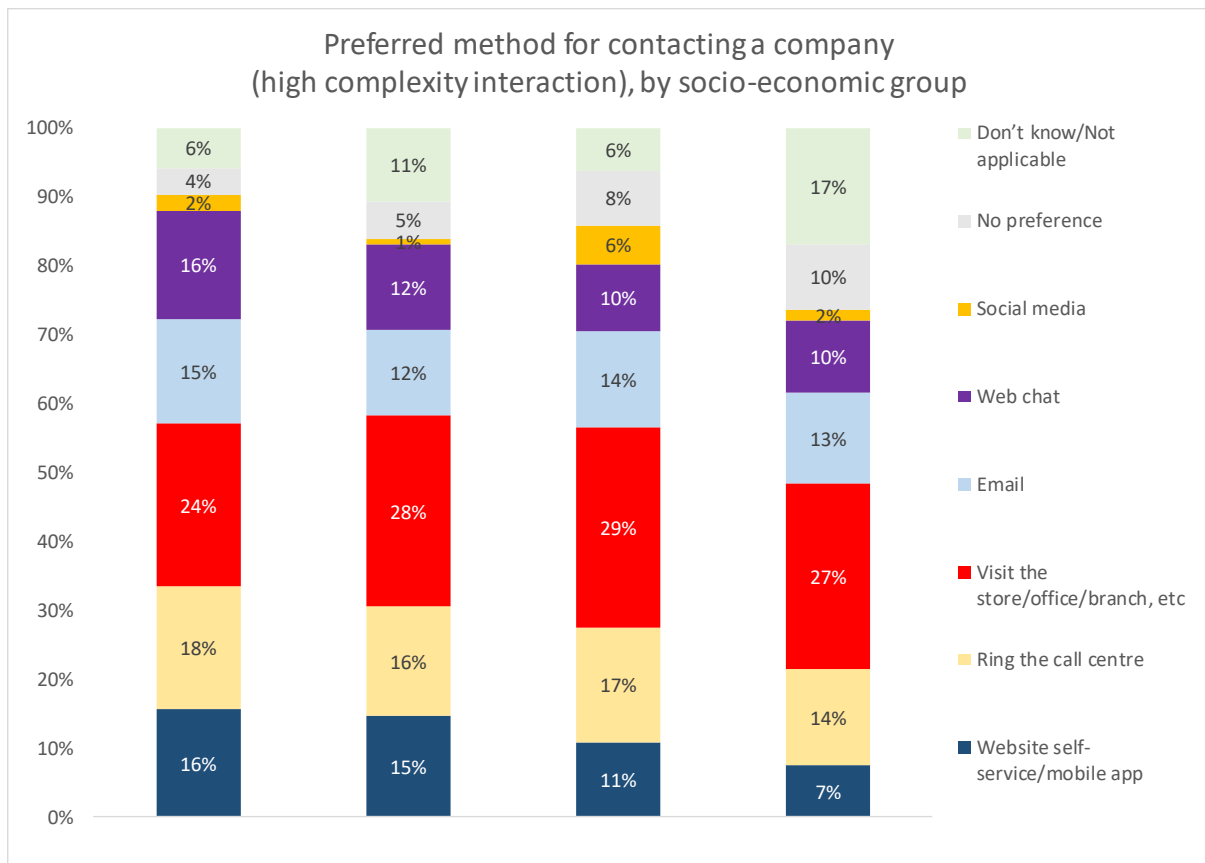
To improve customer experience, it is necessary to be able to measure it. There is no single best method or benchmark to use for doing so that applies equally to every company or type of customer base, but many organisations will use a mixture of data sources and methods to approach the issue from various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

CUSTOMER SURVEYS

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

The numerous methods of directly surveying customers include the following:

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

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

Sometimes, the greatest insights can come from the ad-hoc, unstructured comments that customers leave within a recorded survey, and being able to analyse all of these recordings without requiring someone to actually listen to and transcribe each of them will make insights easier to access and act upon.

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

Written: a system-generated letter is posted to the customer soon after an interaction takes place, requesting feedback. Typically, more customers who have had a poor experience will bother to return the questionnaire, skewing the figures, and although some good and detailed learning points can emerge, it's an expensive way to survey customers. It's also the case that results will be tilted towards the demographics with more time available to them, especially older people. There can be a lack of immediacy, and some people might feel that sending out a written questionnaire to ask about how well a call was handled is excessively solicitous.

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

Email: a email-generated survey request can be immediate and easy for customers to complete. The email mechanism allows businesses to marry the customer feedback to known customer demographic data. The most effective form of feedback is often the "open-ended" questions that ask the customer for feedback using their own words. Email surveys are popular with businesses, but response rates can be low (2-10%) depending on how this is carried out. Response rates and accuracy are far superior when the email survey requests are sent at the point of service delivery in real-time, with 20% response rates achievable in this way. Furthermore, Gartner states that feedback collected at the point of service delivery is 40% more accurate than that collected 24 hours later.

In terms of increasing email response rates, timing, purpose and personalisation should be considered. Timing should be of course be as near to real-time as possible and the purpose should be clear to the reader- not a link to a feedback request hidden at the bottom of an order confirmation email or a newsletter - the email is solely intended to find out what the respondent thinks and makes it easy as possible for them to do so. The personalisation element is vital, showing that you know and genuinely care about the customer. Rather than sending something generic, asking information that the business should already know (e.g. what the call was regarding, when the customer last spoke to the business, etc.), they can be sent a request that is specific to their last interaction. Questions should be kept to a minimum, possibly one score and one question about why they gave that score. That way, control is put back into the hands of the customer, and they can explain what really matters to them, rather than answering the questions the brands think are important.

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

SMS: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact centre to use this information for agent performance as well as satisfaction with the business. While SMS surveys tend to ask simple rather than detailed questions, multiple questions which are contextually-driven by the answer to the first SMS can be asked, perhaps up to a maximum of three. A link to a web form can be included so that respondents have a chance to answer in depth if they so wish.

In today's omnichannel society, it is important to choose a survey method and platform that caters for all your customers. Though many customers want to continue to contact by telephone, there are others who prefer to text or email and it is necessary to offer consistent service across the business. Monitoring all interactions to the company will give comprehensive insight into customers' opinions of the service being offered.

Similarly, different customers will prefer to be surveyed in different ways and a survey platform should have the flexibility to support IVR, web, text and written surveys and collate the results in a unified reporting system. Not only will this mean that this is an increase in the number of customers accessed, but there will be a different quality of feedback from each approach.

We would suggest that there is no single best way to gauge customer satisfaction. If detailed feedback is what's needed, a written or telephone-based questionnaire may be better, although IVR can offer the option of direct quotes through speech recognition or recording transcription. If immediate knowledge about an issue is needed (including your customers' views of agents' performance), consider post-call IVR or an SMS survey in certain circumstances. No matter the channel, all the feedback should be evaluated together in a feedback hub. The more information businesses have at their disposal, the more confident they can be that they fully understand your customers.

It is important before organisations begin to survey their customers, that they:

- Clearly determine the purpose and aims of the survey

- Consider adopting a variety of question types. Scored questions enable the business to produce statistically significant and representative data. Free comments can provide real insight into customers' perception of service

- Consider selecting an experienced company to set up and host the survey. Businesses can benefit from their expertise and knowledge and avoid potentially costly errors

- Ensure that the survey can be carried out throughout the day, including peak times, to gain a true picture of the customer experience

- Make sure that the results of the survey can be collated and analysed alongside all other forms of feedback, including other surveys, online feedback, email, web chat and voice recordings. It is pointless to amass information if it cannot be evaluated uniformly and the results disseminated usefully

- Have procedures in place to act upon the information that is found. The feedback may have uncovered some broken processes in the service which need attention. It will also inevitably throw up disgruntled customers whose specific concerns need addressing. In this instance, any feedback platform should provide some mechanism for alerting and following-up to ensure that dissatisfied customers are escalated to the appropriate staff

- Adopt a unified approach across the business to assessing and monitoring customer satisfaction. If businesses continue to reward agents based on traditional call performance metrics, they are merely paying lip service to good service. If they reward agents based on customer satisfaction ratings the businesses will increase agent engagement and retention at the same time as improving the service offered to customers

- Give the contact centre leadership a chance to share the feedback gathered across the other lines of business, because it should be clear to all that every person in the business, even the back office, impacts the customer experience.

Employee feedback, also known as "Voice of the Employee" (VoE) is used by a significant number of organisations to gather and assess customer experience based on the opinions and experiences of those people who have day-to-day contact with customers.

While the method is dependent upon the culture of the organisation and the agents' own initiative and competence, it can provide profound insight into the experience that customers actually have with the organisation.

One of the main advantages of VoE is that a single frontline employee can provide insight into hundreds of customers, whereas in the case of a typical customer survey, by definition the insights are only about one person's experience. Employees will be aware of overall trends and specific customer concerns, which can be acted upon quickly. For example, a frontline contact centre agent who receives multiple calls a day which mentioned the difficulty of using a certain part of the website is able to flag this, and if effective internal communication processes are in place, the issue can be rectified in a relatively short amount of time.

Employee surveys should be carried out regularly, but it is also beneficial to have an ad hoc reporting process that is effortless and familiar to the employees (preferably in near real-time), so that they can report upon issues and problems which may have recently occurred, rather than having to wait until the next formal review. The frequency of employee surveys should be balanced between the amount of time the overall process takes (including acting upon the feedback), while not leaving significant gaps between surveys so that insight is forgotten or the momentum to improve is lost.

The integration of employee feedback with other data sources such as customer surveys is vital in order to get a comprehensive view of customer experience issues. If, through the process of 360° feedback, employees are made aware of how their insights have been used to help customers, this will encourage them to participate fully in future surveys as they are aware that their comments actually make a difference.

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

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

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

> "A failure to do something - turn up, call back, send something…causes the customer to make a further demand on the system. A failure to do something right - not solve a problem, send out forms that customers have difficulty with and so on - similarly create demand and creates extra work. Failure demand is under the organisation's control, and it is a major form of sub-optimization."[3]

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

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

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

customer, whether by email, SMS or IVR is likely to reduce the number of follow-up contacts that the customer feels that they have to make.

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

Customers who take the time to complain are also taking the time to state what went wrong with your process, product or communication, and this effort should be acknowledged and treated as being important. Businesses have found that fixing the problem for one customer can help many other customers, including the ones who never contacted you. Most customers are not complaining to cause trouble - they want you to know what went wrong, and believe that you can fix it. If one customer makes a complaint, the chances are that there are many more who are experiencing the same thing. A customer that has given up on your company will probably not complain, but go elsewhere and tell everyone who will listen that they are doing so, an issue that is particularly important in today's world of omnipresent social media.

The following charts show the change in the proportion of calls that are complaints, and whether the complaint is about the contact centre (e.g. an impolite agent) or the wider business (e.g. a late delivery, incorrect product etc). In all years, the target of the complaint was usually the failing of the wider business, although 2012-2015 saw 20% or more of complaints being about the contact centre.

For every vertical market, the majority of complaints received are not about the contact centre itself (or its staff), but rather 'failure demand', caused by a breakdown of process elsewhere in the organisation. However, the contact centre has to deal with the dirty work, and further failures within the complaints procedure (or lack of it) can see customers calling into the contact centre again and again, becoming more irate each time, despite the real problem lying outside the contact centre. This is further exacerbated by the multitude of channels available to customers, who may choose to complain initially via letter or email, and follow up with multiple phone calls if these initial channels are not able to provide them with an acceptable response.

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

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

A clearer upward trend can be seen when looking at the proportion of calls that are complaints in general, from less than 4% in 2010 to around 9% more recently. There may be multiple reasons for this: businesses may be failing the customers more often; customers may have become more demanding; or customers may have moved away from the traditional form of complaint – the letter – and prefer to use the phone to complain instead. Certainly, many contact centre decision-makers state that the most effective channel to use for complaints is the telephone, and it may be that customers have found this out for themselves over the past few years.

Figure 63: Proportion of calls received that are complaints / target of complaints (mean average), 2010-18

Proportion of calls received that are complaints & target of complaints (mean average), 2010-18

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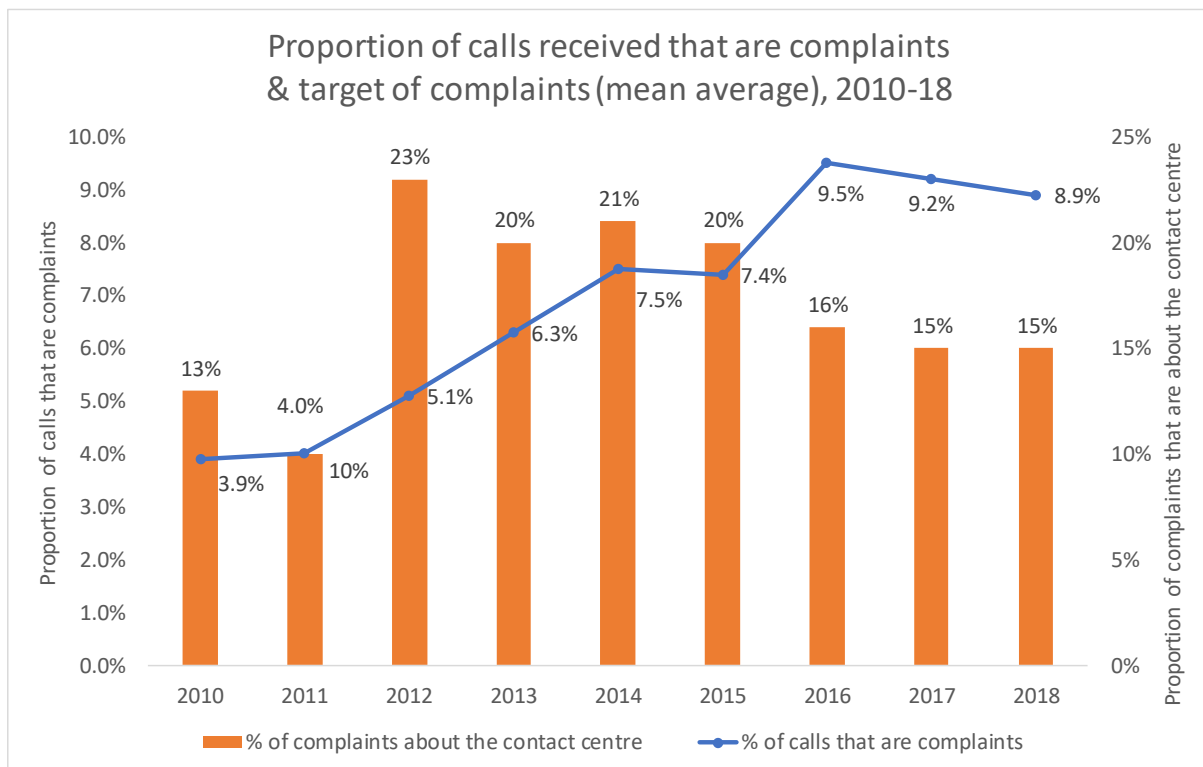
Taking the two sets of data on the previous chart – proportion of calls that are complaints, and proportion of complaints that are about the contact centre (rather than the wider business) – and combining them, gives the following chart: proportion of calls that are complaints about the contact centre.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

Since 2012, the figure of contact centre complaints is relatively steady at around 1.5% of inbound calls. This may not seem particularly high, but with 7.6bn inbound calls per year and typical cost per call of £4.00, handling the 1.3% of calls that are complaints about the failings of the contact centre costs the industry around £400m per year.

Figure 64: Proportion of calls that are complaints about the contact centre, 2010-18
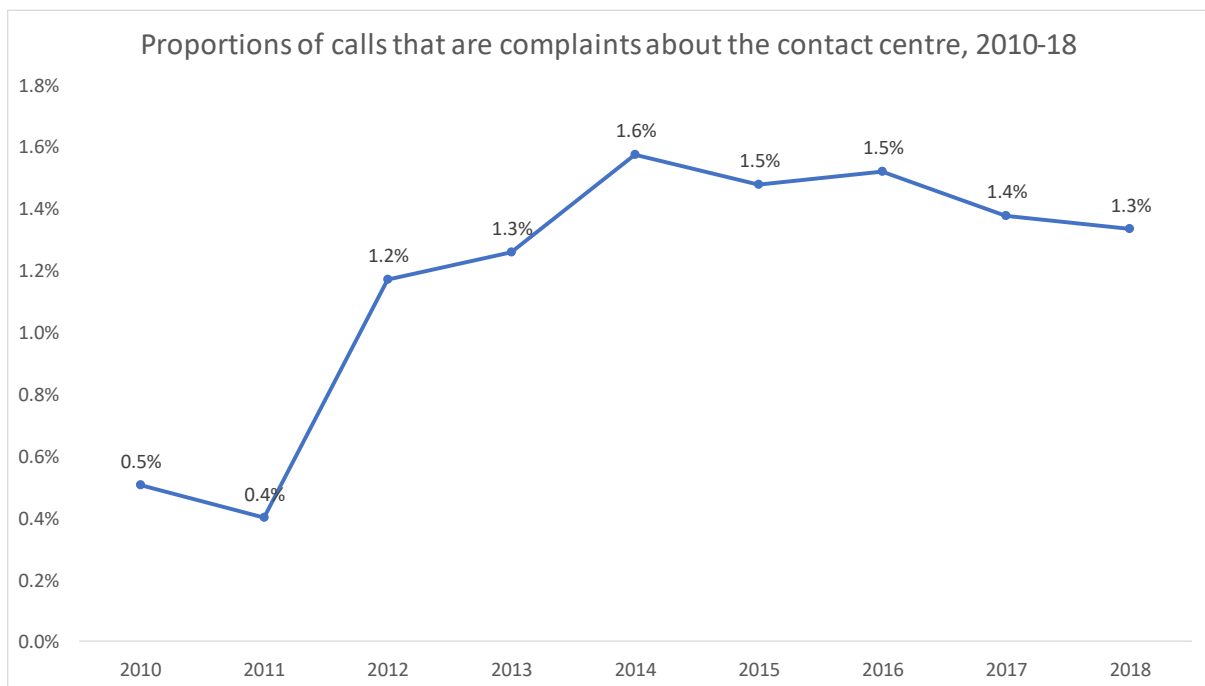
There has been a great increase in customer satisfaction surveys in recent years, with the widespread uptake of the Net Promoter® [4] score (NPS) being a good example of companies' desire to learn what their customers actually think about them. However, research has shown that a 'satisfied' customer isn't necessarily a profitable or loyal one, and the results of customer surveys, particularly the written or telephone-based variety (the latter of which, despite its limitations and expense, is still seen as the best method), are carried out at a time when any feelings about the original interaction may have changed or dissipated, are prone to inaccuracy, delay and lack of detail.

With all of the methods of customer surveys, the questions are fixed in advance, and if the right questions aren't asked, the level of actionable insight is low. In many cases, a business might know that x% of its customers are satisfied, and y% dissatisfied, but it still has no real idea why this is, or even how it will impact upon their profitability. As an addition to customer satisfaction surveys, customer contact analytics allows a business to gather customers' views within the interaction itself - guaranteeing immediacy and accuracy - and can be applied across 100% of calls, rather than focusing on the outlying 'very dissatisfied' or 'delighted' customers. Furthermore, through widespread and detailed analysis of what the call is about, the type of language or messages used in the call, how the customer was handled, and the eventual outcome, businesses will be able to learn how to improve their customer retention and satisfaction in real-life, bypassing the standard metric (e.g. "83% of customers are satisfied") and getting to the root causes of satisfaction or dissatisfaction and sharing the results with the rest of the operation.

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

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

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

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

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

While mystery shopping has a part to play in understanding customer experience, the fact remains that the actual mystery shopper is not a real customer, and is acting based on specific instructions given to them by the company. Additionally, customer experience data will be taken from a relatively small sample size of mystery shoppers, rather than a larger proportion of the customer base which can be accessed through surveys or analytics.

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

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

Direct customer surveys were said to be the most effective method of gathering customer experience data, with 58% of respondents who use this method stating that it was very useful. Employee feedback and complaint analysis were also generally seen as useful, although not quite to the same extent as customer surveys.

There was a lack of a generally agreed view on how effective speech analytics and mystery shopping were: while 27% of those who use speech analytics to understand customer experience data found it very useful, 29% stated it as either of little or no use whatsoever. Mystery shopping fared even worse: 23% of those using it stated that it was very useful, however 37% found it of little or no use.

Figure 65: Usefulness of CX learning methods
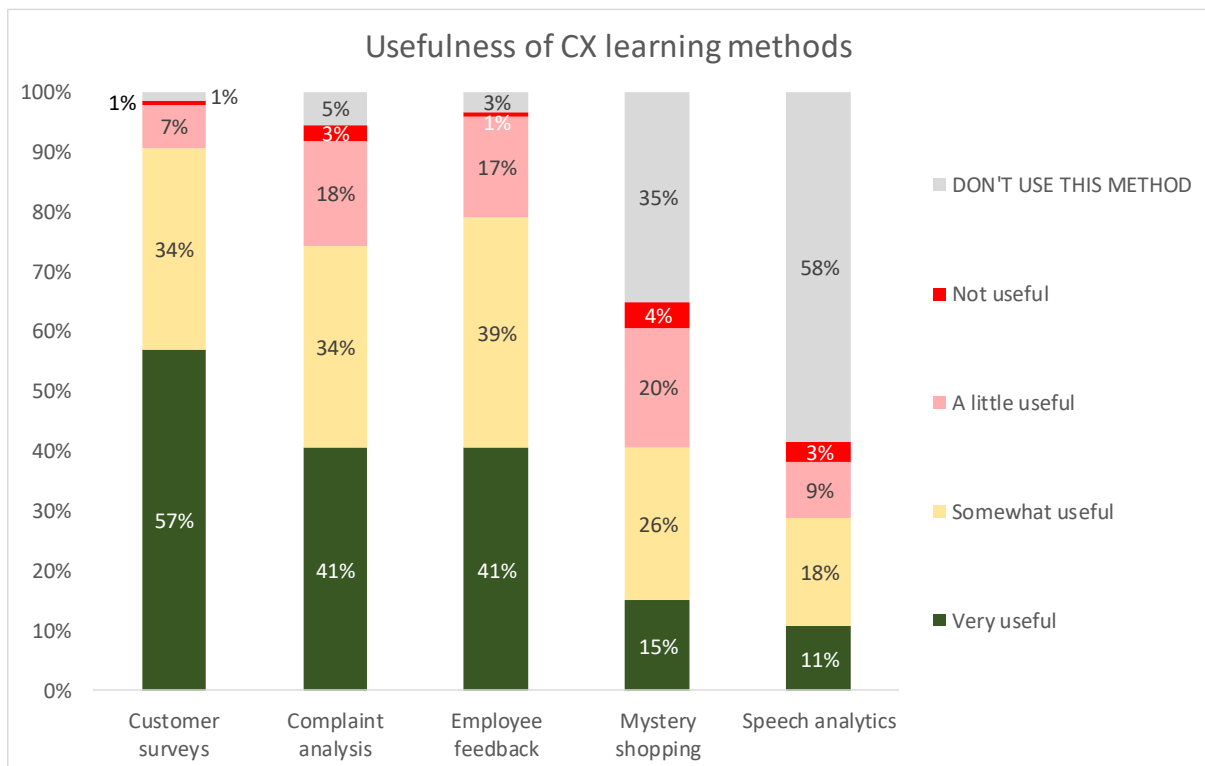
Businesses were asked which of five quantifiable benchmarks that they use in order to measure customer experience and satisfaction.

- Net Promoter Score®, otherwise known as NPS, is an index ranging from -100 to 100 that measures how likely customers are to recommend a company's products or services to others. The question asked to customers is:

  o "On a scale of 0 to 10, how likely are you to recommend this company's product or service to a friend or a colleague?"

  o Based on their rating, customers can then be grouped into in 3 categories: detractors, passives and promoters. 'Detractors' score lower than or equal to 6, 'Passives' score 7 or 8 and 'Promoters' answered 9 or 10.

  o NPS is determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. For example, if 50% were promoters and 10% detractors, the NPS would be 40. This allows businesses not only to focus upon increasing the proportion of people that actively like and evangelize about the company, but also to bear in mind those at the opposite end of the spectrum who are lukewarm or negative.
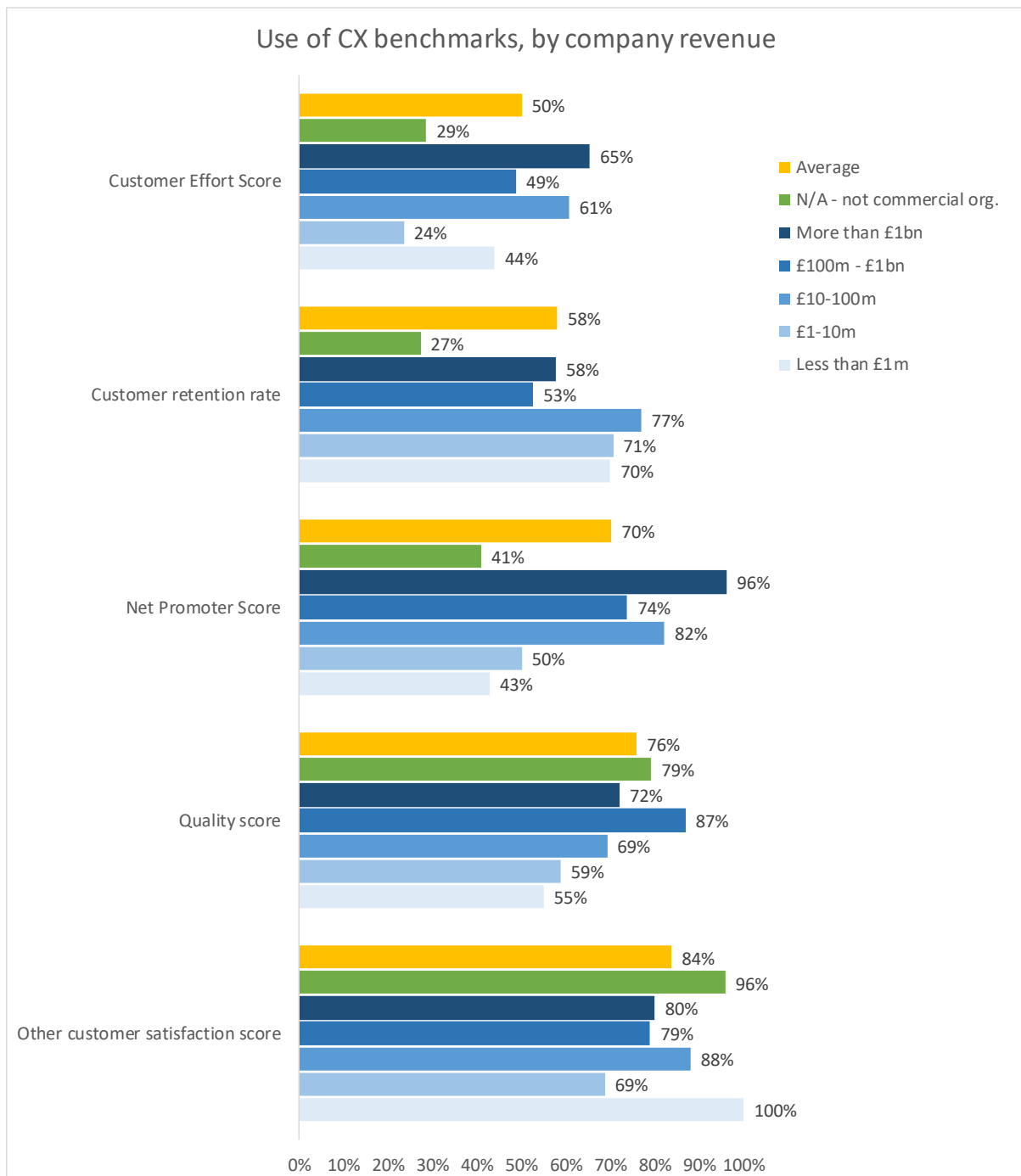
- Customer effort scores look to understand the ease or otherwise with which the customer has interacted with the company on a particular occasion. Often, there will be a five-point scale running from "very easy" to "very difficult", which can be converted into a quantitative metric. Various methods of calculating customer effort scores and pitfalls to avoid can be found within this referenced article[5]

- Quality scores differ from company to company, but are based on interaction scorecards on which employees are scored over a number of calls or interactions each week or month, and include factors such as compliance, quality of greeting and call termination, cross-selling and upselling attempts, fluency of communication and other factors deemed important by the business

- Customer retention rates are generally based on the percentage of customers renewing contracts, and are typically used by businesses within contract-based industries, such as insurance and telecoms

- CSAT (customer satisfaction) scores do not have a fixed and widely-accepted scoring system, but are more wide-ranging. Businesses may decide that they want to track the proportion of customers who report being "very satisfied", score them at 5 out of 5, etc.

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[5] https://www.callcentrehelper.com/how-to-calculate-customer-effort-94671.htm

The most widely used customer experience benchmark is the general customer satisfaction rating, which is used by 84% of respondents. Closely following this are NPS and agent quality scores. Customer retention rate and customer effort score are less widely used, however are still in place in 58% and 50% of respondents respectively.

Considering the data segmentation by company revenue, smaller operations and non-commercial organisations are more likely to use customer satisfaction scores, with only smaller companies not embracing NPS. Customer effort scores are used by around two-thirds of very large companies.

Figure 66: Use of CX benchmarks, by company revenue

Use of CX benchmarks, by company revenue

Legend:
- Average
- N/A - not commercial org.
- More than £1bn
- £100m - £1bn
- £10-100m
- £1-10m
- Less than £1m

Customer Effort Score: 50%, 29%, 65%, 49%, 61%, 24%, 44%

Customer retention rate: 58%, 27%, 58%, 53%, 77%, 71%, 70%

Net Promoter Score: 70%, 41%, 96%, 74%, 82%, 50%, 43%

Quality score: 76%, 79%, 72%, 87%, 69%, 59%, 55%

Other customer satisfaction score: 84%, 96%, 80%, 79%, 88%, 69%, 100%

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

57% of respondents stated that they believed that the customer effort score was a useful indicator of customer experience. Most of the other customer experience benchmarks received very similar scores, with 40-50% of respondents stating that they were 'very useful', and similar proportions stating that they were 'somewhat useful'.

Customer retention rates were seen as being relatively the least useful customer experience benchmark, with 20% of respondents that used this stating that it was only 'a little useful' at best, although it should be noted that this metric was still seen in a positive light overall.

Figure 67: Usefulness of CX benchmarks (if used)

Usefulness of CX benchmarks (if used)

	Very useful	Somewhat useful	A little useful	Not useful
Customer retention rate	39%	41%	19%	1%
Quality score	42%	39%	17%	1%
Other customer satisfaction score	46%	43%	11%	
Net Promoter Score	48%	35%	7%	9%
Customer Effort Score	57%	30%	11%	1%
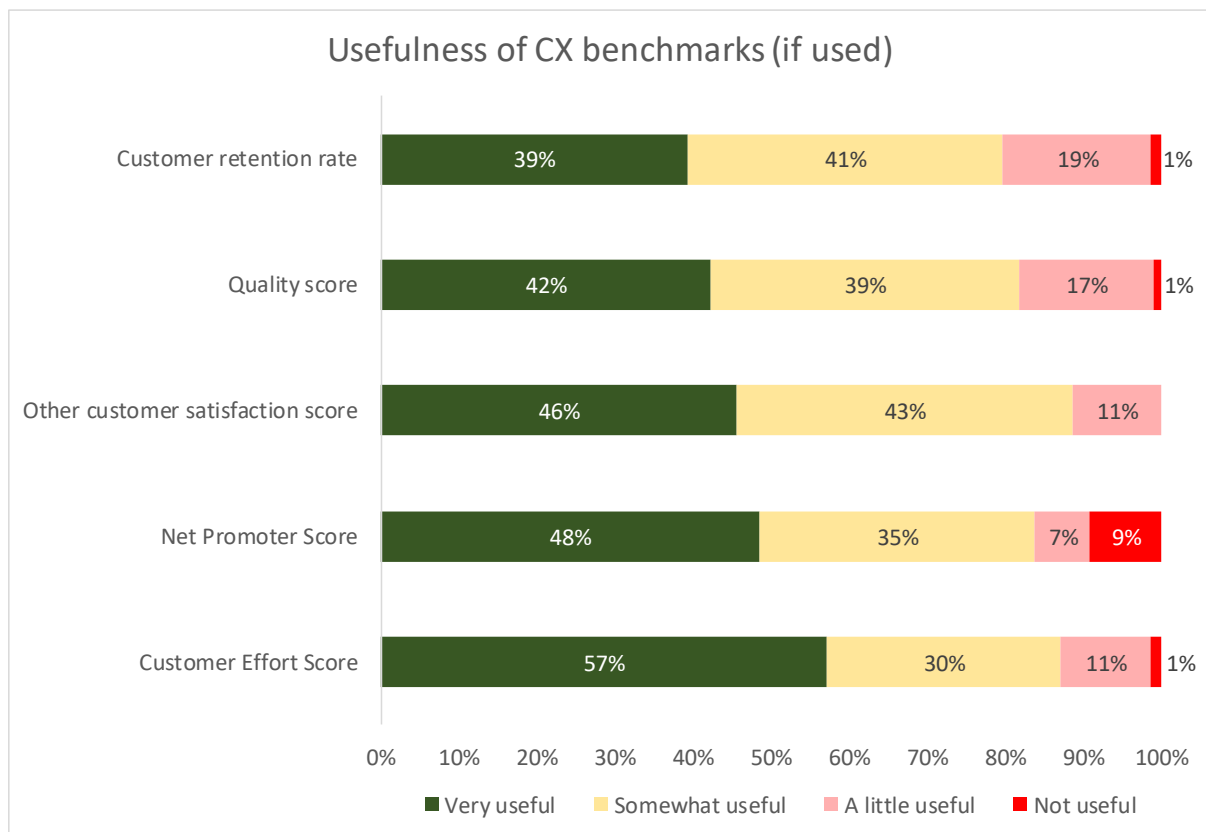
As customer experience benchmarks change from company to company - there is no generally accepted customer satisfaction rating or quality score that allows direct comparison between organisations - only NPS easily allows head-to-head comparison across companies, although there were not enough responses from each vertical market to be able to give a full picture.

Figure 68: Net Promoter Score by selected vertical market

Net Promoter Score by selected vertical market

	Finance	Insurance	Retail & Distribution	Services	TMT	Average
Score	42	50	41	68	56	49
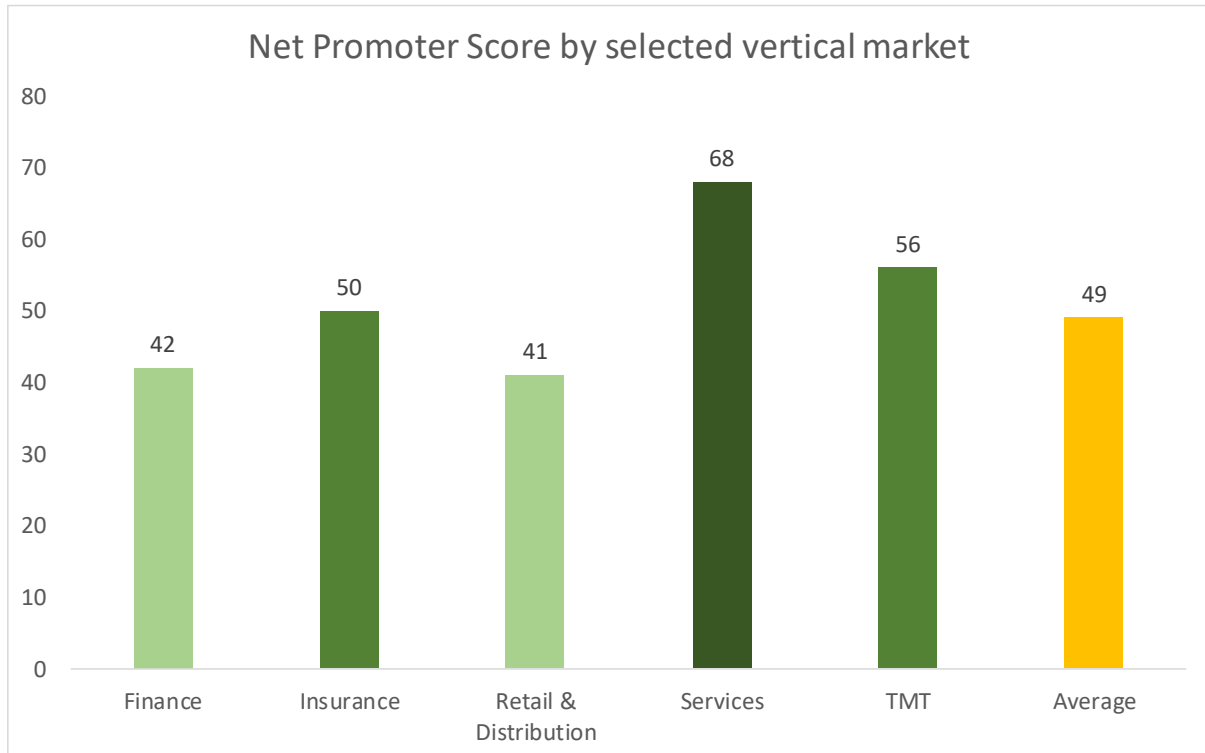
Respondents to this survey generally reported very good Net Promoter scores, with a survey-wide average of 49. Those in the services industry reported the highest average scores, with retail & distribution and finance the lowest.

When looking at customer retention rates, responses mainly came from the finance, insurance, manufacturing, retail and TMT industries.

While the insurance sector had an average customer retention rate of 70%, those in retail, TMT and finance stated that they achieved over 85% customer retention.

Figure 69: Customer retention rate by selected vertical market

Customer retention rate by selected vertical market
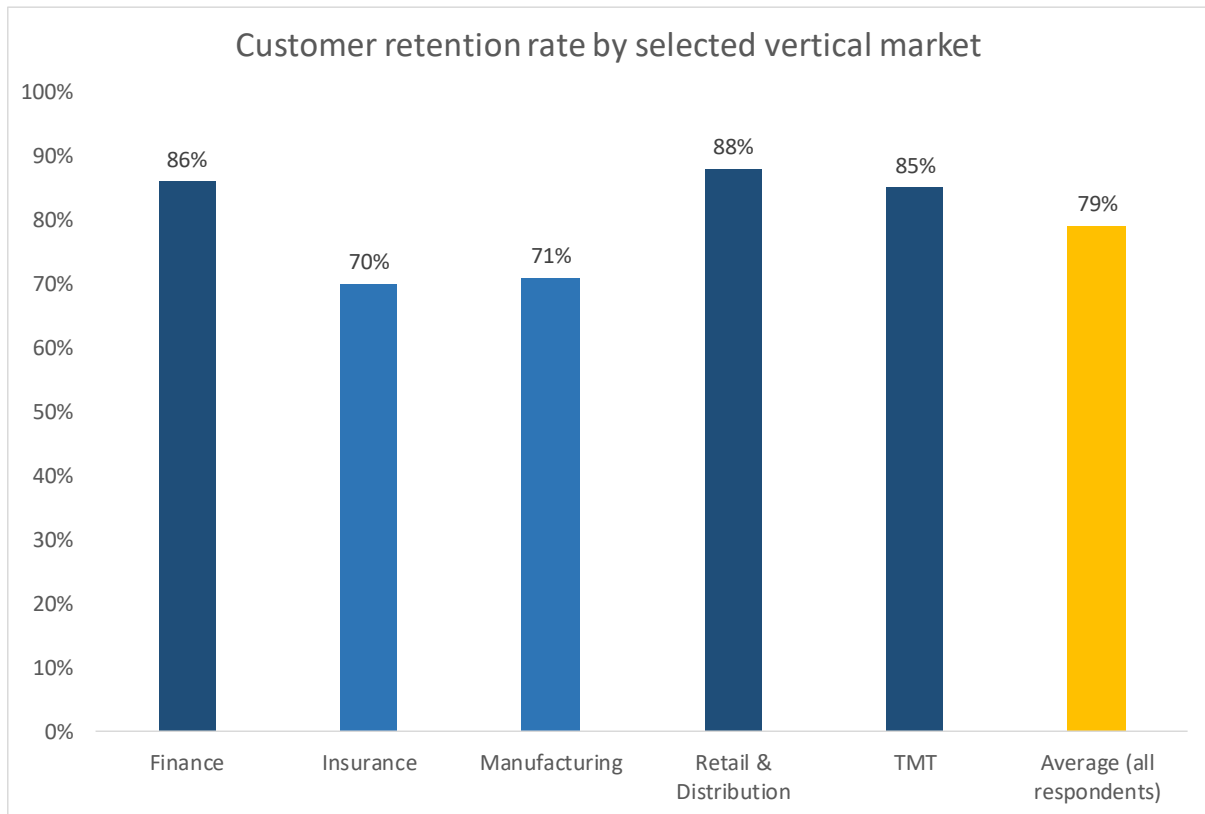
Looking at quality scores, the fact that there is no single industry-wide quality measurement score made head-to-head comparisons impossible.

Instead, each set of responses was judged on whether it was above target, at target or below target. While 56% of respondents are currently missing their quality target, most of these are less than 10% below where they want to be.

Figure 70: Quality score – actual and target
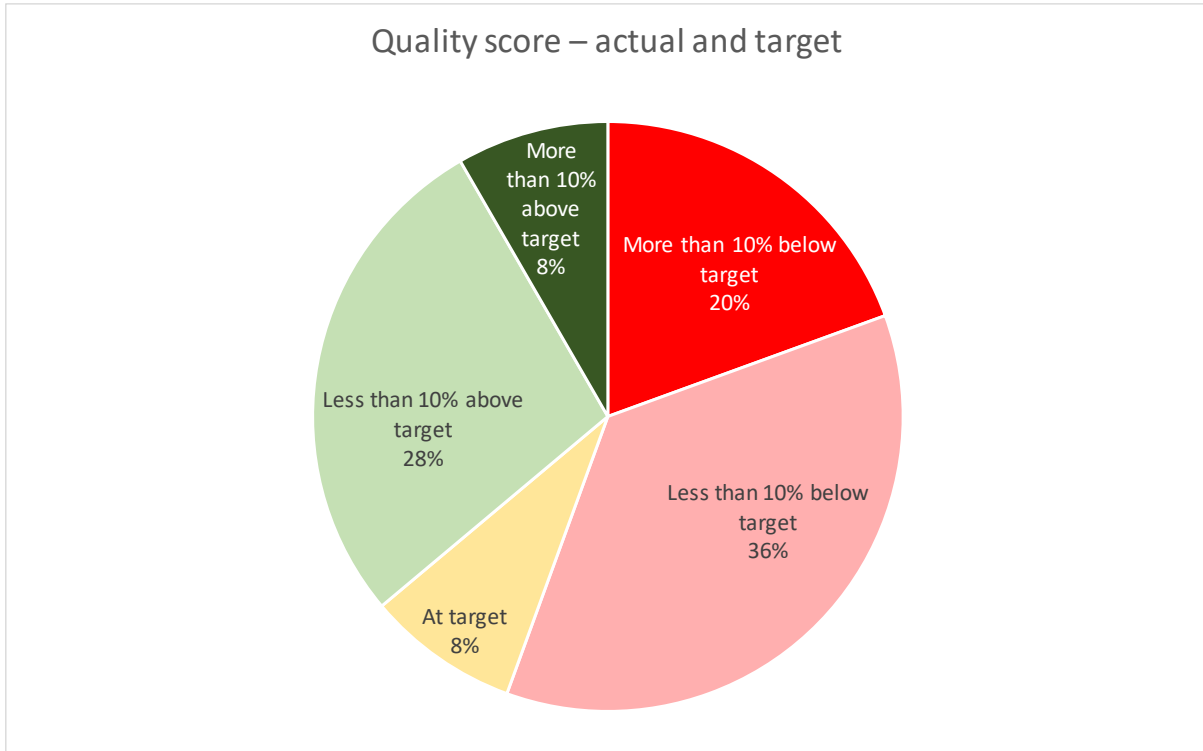
In the same way as with quality scores, customer satisfaction scores are not necessarily directly comparable between organisations. However, where possible, the data was normalised as a percentage, although this should be treated with caution.

Most of the respondents that answer this question gave high customer satisfaction scores and all sectors were close to, or had exceeded their target.

Figure 71: Customer satisfaction score – actual and target

Vertical market	Actual	Target	% of target
Finance	78%	81%	96%
Housing	85%	90%	94%
Insurance	91%	88%	104%
Manufacturing	75%	80%	94%
Outsourcing	85%	90%	94%
Public Sector	87%	86%	101%
Retail & Distribution	84%	89%	94%
Services	89%	93%	95%
TMT	82%	90%	91%
Transport & Travel	86%	80%	108%
Utilities	88%	90%	97%
Average	**85%**	**88%**	**96%**

NB: as some respondents use different measures, data was normalised as a percentage where possible.

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

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

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

Of even greater note is the fact that first contact resolution rate was identified as being the key CX metric for senior management by only 6% of respondents, despite both the customer and business survey results earlier in this report showing clearly that first contact resolution was the most important factor in influencing customer experience.

Figure 72: CX metric upon which the Board / senior management most judge the success of the CX programme

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

- Cost per service interaction 8%
- Customer retention rate 8%
- Overall revenue / sales 8%
- First contact resolution rate 6%
- Customer Effort Score 2%
- Cross-sell / upsell rate 2%
- Customer satisfaction score 36%
- Net Promoter Score 30%
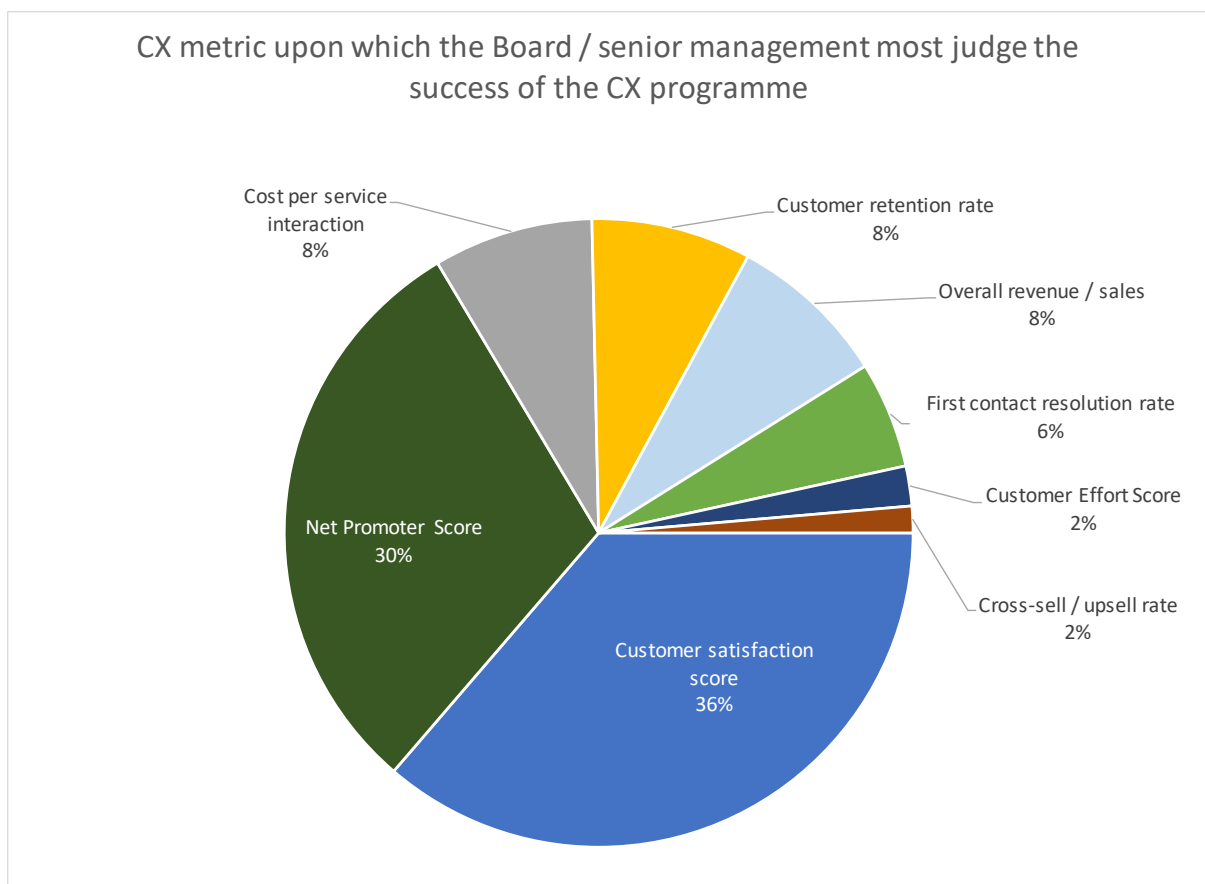
The following chart shows how small, medium and large organisations (as grouped by revenue) view the importance to the senior management team of each customer experience metric.

Larger operations are much more concerned about NPS, with 42% of respondents from the £100m+ group placing it first, and 36% of the £10m-£100m respondents also doing so.

Small operations are far more likely than large organisations to rate their customer retention rate as being important.

Non-commercial organisations focus strongly on customer satisfaction scores, and are also most likely to use cost per service interaction as their no.1 CX-related metric.

Figure 73: CX metric upon which the Board / senior management most judge the success of the CX programme, by organisation revenue

CX metric upon which the Board / senior management most judge the success of the CX programme, by organisation revenue
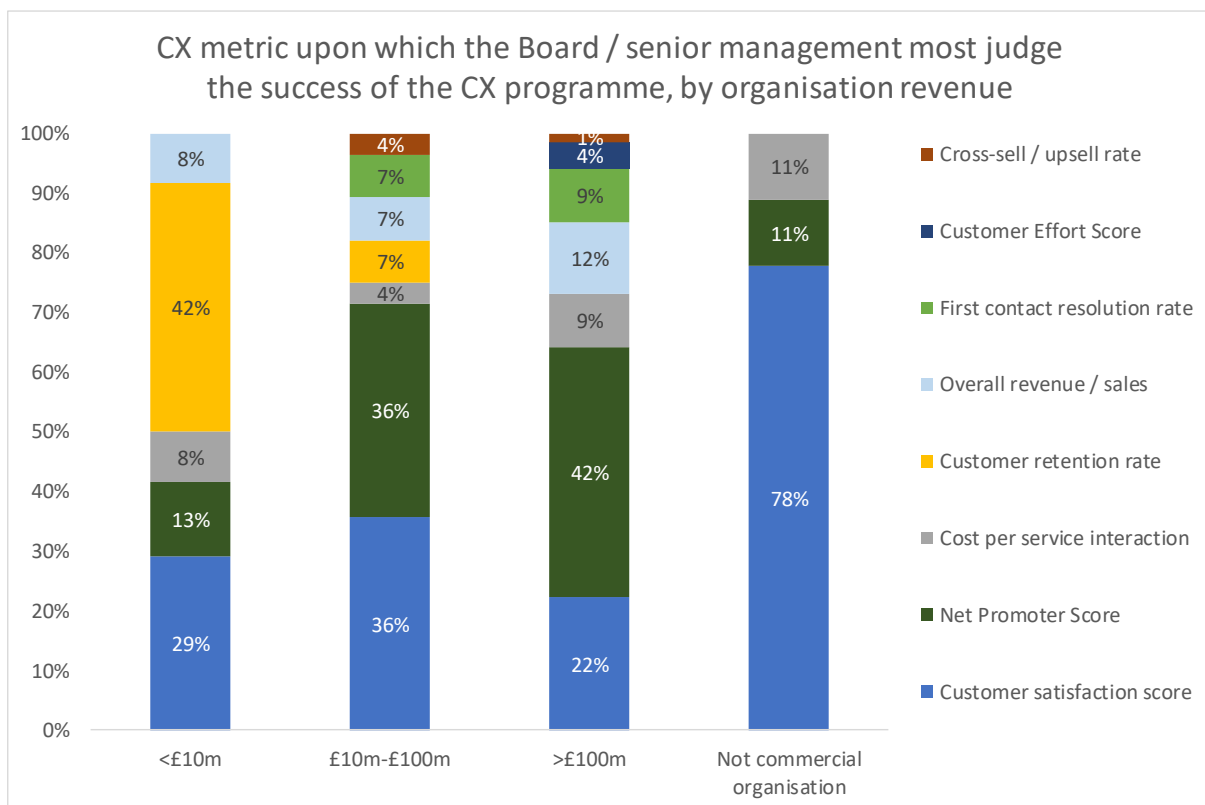
Respondents were asked if their customer-facing employees were financially rewarded based on any customer experience factors.

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

B2C organisations may use customer satisfaction as a basis for reward, although this is done in only 17-18% of cases.

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

Figure 74: Are customer-facing employees financially rewarded based on any CX factors? (B2B / B2C)

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

Metric	B2C	B2B
First contact resolution rate	9%	20%
Net Promoter Score	15%	26%
CSAT with individual	17%	33%
CSAT with organisation	18%	34%
Cross-sell / upsell rate	12%	37%
Quality score	14%	40%
Customer retention rate	7%	43%
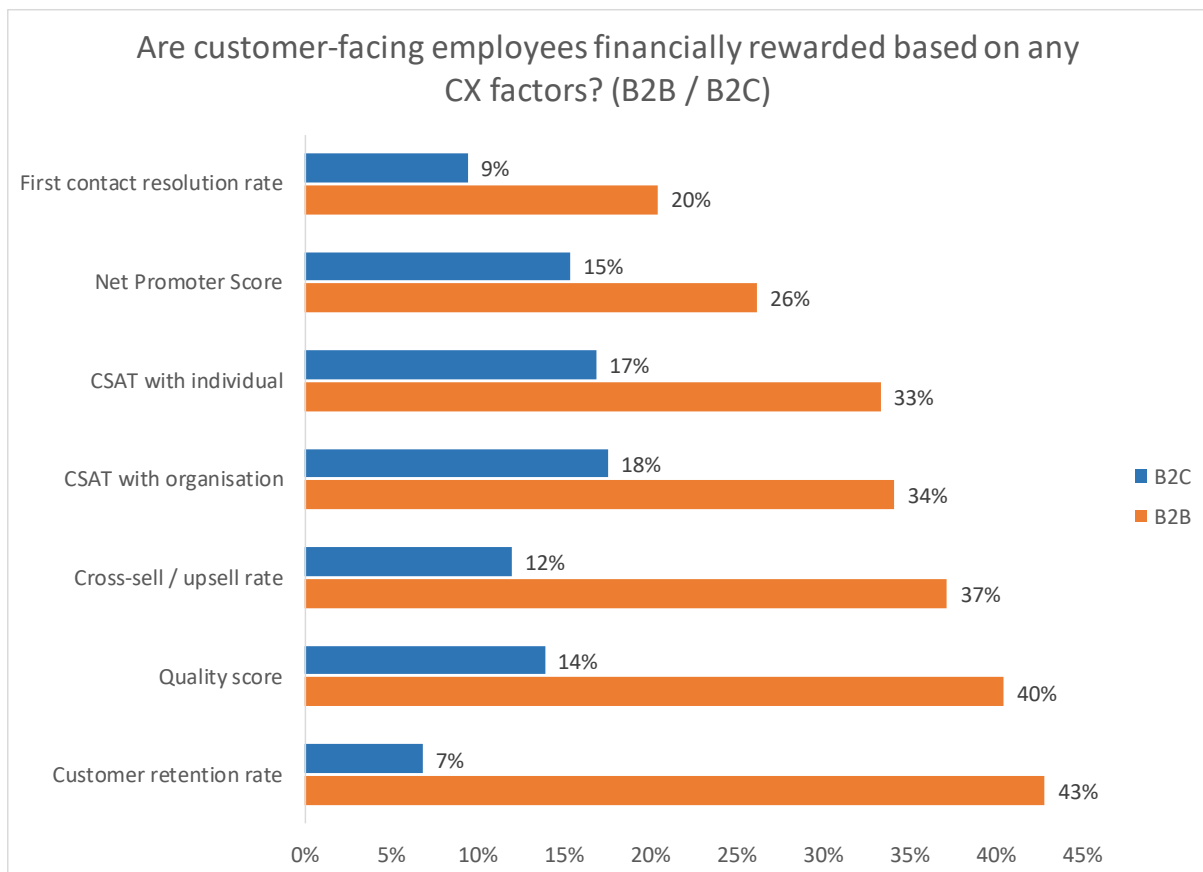
When considering how customer-facing employees - including those within the contact centre - are financially rewarded based on customer experience benchmarking scores, it is clear that those with the largest contact centres are usually more likely to reward their employees by some means.

The majority of respondents with large contact centres will incentivise their staff based on customer satisfaction (especially with the organisation), with a significant proportion also rewarding based on interaction quality scores and Net Promoter score.

Figure 75: Are customer-facing employees financially rewarded based on any CX factors? (by contact centre size)
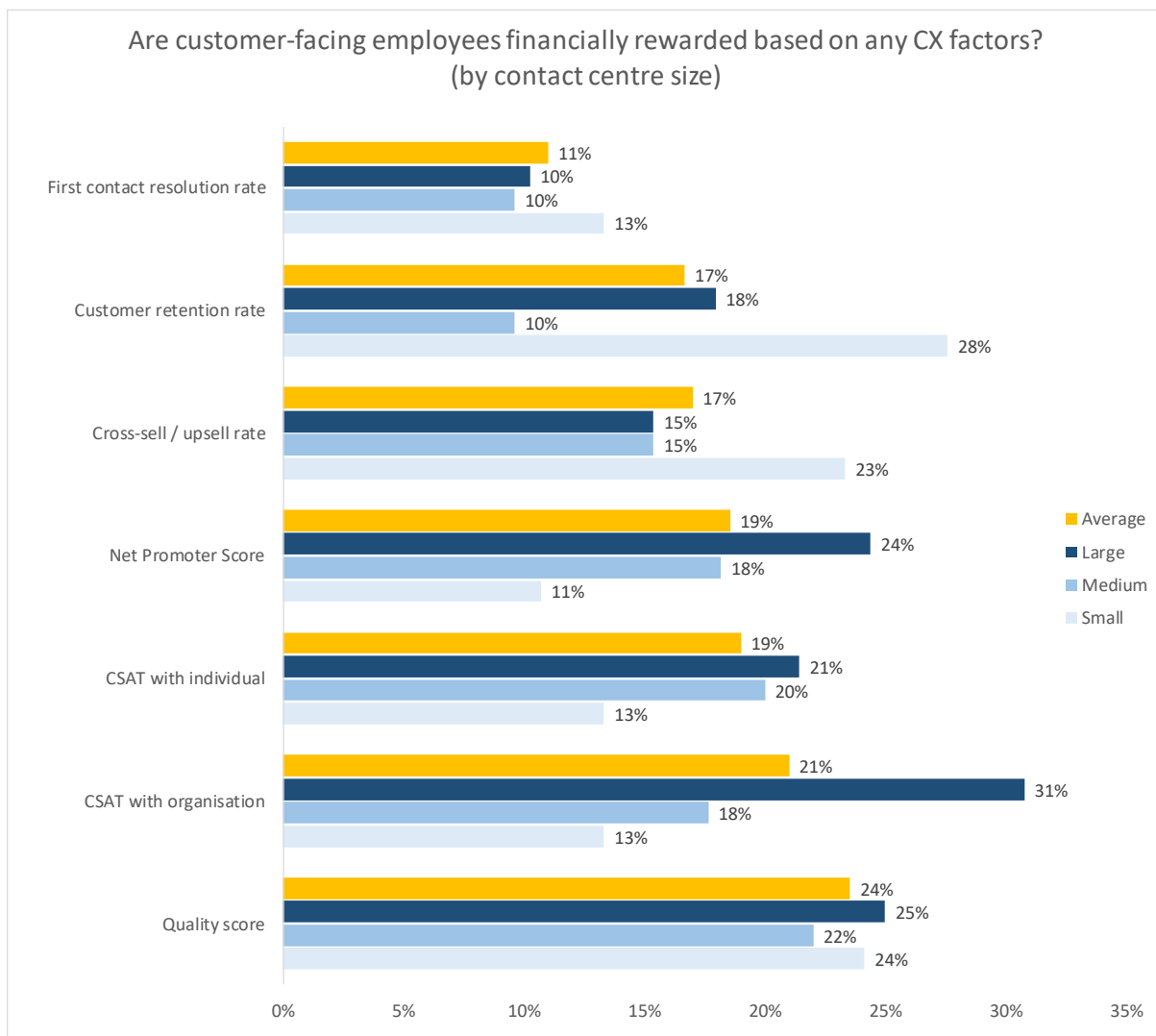

Are customer-facing employees financially rewarded based on any CX factors?
(by contact centre size)

First contact resolution rate: Average 11%, Large 10%, Medium 10%, Small 13%
Customer retention rate: Average 17%, Large 18%, Medium 10%, Small 28%
Cross-sell / upsell rate: Average 17%, Large 15%, Medium 15%, Small 23%
Net Promoter Score: Average 19%, Large 24%, Medium 18%, Small 11%
CSAT with individual: Average 19%, Large 21%, Medium 20%, Small 13%
CSAT with organisation: Average 21%, Large 31%, Medium 18%, Small 13%
Quality score: Average 24%, Large 25%, Medium 22%, Small 24%

Legend: Average, Large, Medium, Small

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

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

Figure 76: Importance of CX developments in the next 2 years

Importance of CX developments in the next 2 years

	Very important	Somewhat important	Of limited importance	Not important	Don't know
Predictive/proactive customer service	42%	43%	11%	1%	2%
Voice of the Customer initiatives	50%	37%	7%	1%	5%
Customer journey analytics	50%	41%	7%		2%
Omnichannel/connected journeys	55%	30%	11%	1%	4%
Personalisation of customer experience	57%	32%	8%	1%	2%
Analytics of customer interactions	58%	35%	4%	1%	2%
AI/self-service	58%	32%	5%	1%	3%
Executive commitment to CX	61%	31%	3%	1%	3%

CONCLUSION: CX STRATEGIES

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

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

- Customer experience is now widely seen by businesses as being an important competitive factor, and is potentially the key to increased profitability

- the governance of the customer experience function has not generally made its way right to the top levels of an organisation, and is often seen as being subordinate to the wider operations or marketing role, especially in larger businesses

- a key aim of customer experience improvement is improving customer retention rates, although cost management is seen as being vital component as well

- the main investment in customer experience improvement programmes is focused on technology, with business process improvements and employee training receiving similar amounts of support as each other

- live telephony is still by far the largest communication channel used by customers, comprising 67% of inbound interactions. Email is second with 20%, and web chat accounts for almost 4%

- however, despite the prevalence of telephony, the majority of customer experience investment is going into digital channels

- CX technology was said by many survey respondents to be under-supported in that it did not give a single view of customers across channels, and many businesses reported that they were being held back by the restrictions of legacy technology and inadequate budgets. This is especially the case within B2C organisations

- technology is not the only roadblock to CX: organisational inertia and a lack of time and resource for CX improvements were seen as being almost as important

- businesses believe that the most important customer experience factors to a customer are first contact resolution, short wait times and having a polite and friendly agent answer the phone. Having issues handled by a single employee is also seen as important, and can be linked to first contact resolution rates

- from a consumer perspective, first contact resolution and short wait times are also seen as being key to a positive customer experience. However, consumers also want to be able to contact a business at a time that suits them, and place far more emphasis on having UK-based employees to talk to than businesses believe

- most consumers still have a preference for live agent interactions rather than automation, even if self-service is done well. This is especially the case in complex or strongly-emotional issues

- depending on the nature of an interaction - whether emotional, urgent or complex - multiple channels will need to be offered to the consumer base, especially live telephony, email and web self-service

- there are significant differences in channel preference by age and socio-economic group, so businesses should look to see which their own customer base prefers and in which circumstances, so that support and investment can be planned accordingly

- interaction analytics is generally said to be useful in collecting CX data, but is only used by minority of businesses

- an improved customer retention rate is seen by businesses as being the a key CX outcome. However, only 8% of respondents stated that customer retention rate was seen as the most important CX metric by their senior management team

- first contact resolution rate is almost completely ignored as the primary indicator of the success of the CX improvement programme, despite both businesses and consumers indicating that it made the greatest difference to the actual customer experience

- a small minority of companies rewarded customer-facing staff based on customer retention rates or first contact resolution, which were stated to be the two of the most desirable outcomes of a successful customer experience programme

- the executive team's commitment to the CX improvement programme is seen as being more important than any business process or technology investment: without the former being in place, the latter simply won't happen.

The surveys show that the telephony channel must be strongly invested in and supported, not only in the present day, but also into the foreseeable future. While digital channels and AI-based automation give the promise of a lower cost of service which is attractive to businesses, consumers state that they are currently more comfortable with live agent service, especially telephony-based.

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

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

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