Driving Customer Service In The Age Of Digital Transformation
Exploring The Areas For Great Customer Service

The digital age has transformed the way customers interact with businesses. To meet customer expectations, organizations must deliver reproducible, effective, and personalized customer service. For organizations to deliver world-class customer service, they need to focus on:

› **The customer experience (CX) and journey.** Empowered with multiple means of engaging with their entire ecosystems, customers seek out personalized, enriching, and emotionally satisfying experiences across every interaction with an organization. Organizations need to consider the customers’ point of view and ensure they have the insight into customers’ entire journey with the organization.

› **The role of workforce experience to deliver CX.** In the digital age, organizations must rethink how to deliver technology to the workers, who ultimately drive the business and interact with customers. This adds pressure on organizations to support and meet their workers’ preferences, so they can effectively deliver great customer service in a responsive, frictionless, and connected manner.

› **The importance of technology to support omnichannel service.** Customers are demanding seamless omnichannel services. Organizations must consider not only how technology can streamline and automate back-office processes but also how digital technologies and cloud can create value for customers and how they are served.

To understand how organizations are enabling excellent customer service, in February 2017, NICE commissioned Forrester Consulting to conduct a study with 311 business decision makers who are responsible for the digital transformation at their organization and have knowledge of the customer journey.

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**Country**

› US: 50%
› France: 17%
› India: 17%
› UK: 16%

**Revenue**

› $1B or more: 20%
› $500M to $1B: 14%
› $400M to $499M: 20%
› $200M to $399M: 46%

**Customer journey responsibility**

› Key decision maker: 24%
› Key influencer: 46%
› Involved in or aware of process: 30%

**Role of respondent**

› C-level executive: 24%
› Director: 54%
› Vice president: 22%
Customer Experience Is A Top Priority

As customers blend their digital and physical experiences, they’re expecting businesses to serve up the right tools and products in their moment of need.

The ultimate priority for organizations is to improve the customers’ experience (85%) over the next 12 months. Organizations realize that the key to commercial success is to ensure that every interaction meets their customers expectations. Organizations revealed that investment in CX has led to increased overall revenues (51%) and increased customer retention rates (39%).

How are organizations responding to the CX priority? Improving analytics plays a crucial role in helping organizations meet their business priorities. Eighty-three percent of organizations said they are enhancing their analytics capabilities to improve and gain more granular insights on their customers. This will allow them to optimize and improve existing products and services (83%) and better understand the customers’ journey with their organization.

“Which of the following initiatives are likely to be your organization’s top business priorities over the next 12 months?” (Critical and high priority combined)

- 85% Improve the experience of our customers
- 83% Improve analytic capabilities to improve customer insights
- 83% Improve our products/services
- 72% Improve the customer’s journey

Base: 311 business decision makers who are responsible for the workforce and have knowledge of the digital transformation at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of NICE, February 2017
Workforce And Customer Experience Go Hand In Hand

Digital transformation requires customer-obsessed organizations to rethink how to empower and deliver technologies to the very people who drive the business and interact with customers: the workforce.

Organizations want to create a customer-obsessed culture to support and create the culture that helps them understand their customers. Only 24% of organizations surveyed are on this path today.

Too often, the workforce is given inadequate tools that hinder their productivity. The study indicated that only 22% of organizations provide their workforce with tools to deliver experiences the right way.

Organizations that provide the right tools empower the workforce and ensure their needs are met, which boosts productivity. Additionally, it enables interactions with customers in a seamless and efficient manner. For instance, 46% said they wanted to create more valuable content for their customers.
Delivering Consistent Omnichannel Experiences Is Tough

Customers have become incredibly active in their cross-channel integrations with the business. To deliver seamless omnichannel experiences today requires a deep understanding of the customer’s journey. Why does this matter? Consistent, seamless, proactive cross-channel services enable organizations to build long-term, meaningful relationships with their customers.

In the omnichannel world, each channel transforms interactions between the customer and the organization. While cloud offers the agility to support omnichannel, ensuring features and functions are delivered in the right way at the right time to the right channel is critical.

But many organizations are still on the journey. Although organizations look to create more valuable content for their workforce, they must also consider the prototyping and validation processes; only 25% said their organization is monitoring customer feedback for evidence against CX designs. Having a joined-up strategy down to the execution is also essential. Only 23% of organizations are validating the designs of a core experience against the organization’s vision (23%).
Customer Experience Efforts Fall Short

Building a great CX is not a one-size-fits-all strategy; there are various building blocks. Today’s increasingly connected world demands businesses take on a greater role in understanding their customer.

To understand an organization’s CX capabilities, Forrester asked respondents to rate their CX practices. Very few were able to demonstrate complete optimization across various practices. Only 27% of respondents said they were able to create world-class customer experiences, and only 24% said they were able to improve the whole customer life cycle. It’s clear that organizations have extremely high ambitions, but they’re failing to deliver against them.

It gets worse, though: Only 23% of survey respondents completely agreed that they analyze customer analytics to identify patterns and trends. In fact, less than a quarter of respondents said they could create a single view of the customer.

These pain points highlight that if businesses are to drive loyalty, manage the customer life cycle, and add value to their customers’ journeys, the way they measure their activities must change.
Organizations Struggle To Understand Workforce Needs

The consumerization of technology has enabled workers to demand the freedom to choose their devices, applications, and even operating systems. These workers are also demanding choice and flexibility to make autonomous decisions about how and where they do their work.

According to the survey results, organizations are not enabling their workforce to perform effectively to deliver on customer demands. The workforce faces challenges through a restrictive ecosystem (e.g., they are unable to download apps without IT authorization) (61%). Forrester also found that information is spread across too many applications (54%), siloed environments make it hard to complete tasks (51%), and inadequate meeting room technology hinders collaboration (39%).
Siloed Technology Infrastructure Hinders Organizations

Technology infrastructures are more complex than ever before, and application services stretch wider across regions and deeper into technology silos. The tools for supporting the workforce have a huge impact on workforce productivity.

Silo-based infrastructure is not up to the task for modern customer service. Forrester found that 70% of organizations are challenged in delivering omnichannel experiences due to having to purchase and deploy solutions in an inflexible legacy model. This forces them to buy and roll out everything based on maximum capacity, make upfront capital investments, and take on long-term commitments. In addition, the survey highlighted that 59% of business decision makers lack the skills to fuse data across different touchpoints. Fifty-five percent also stated that working with multiple separate, siloed purchases from many different vendors stops them from delivering the omnichannel experiences their customers demand.

What is the result? Workers experience performance problems and disruptions in technology and take a productivity hit, which makes it harder for them to win, serve, and retain customers.
Customer-focused businesses put CX at the heart of their operations. How? The customer journey is an extremely valuable window into how customers engage with brands; they must use journeys to help enhance CX and streamline services in order to achieve true customer-centricity. Eighty-seven percent said they are looking to improve strategies around the entire customer life cycle.

Over 90% of organizations are planning to use analytics and context awareness to customize their CX. Customer journey analytics enables organizations to understand how customers engage with them as they pursue their goals. Artificial intelligence (AI), for instance, is poised to accelerate systems of insight, help discover insights from data otherwise unseen, and even suggest and predict actions about what customers want in their moment of need. In fact, 86% of respondents said it was a critical or high priority to save customers’ time by predicting what they would like to do next.

Businesses can use these insights from AI to analyze customer behaviors and zoom into an individual’s journey to understand specific pain.

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**Is your organization planning to improve on the following?** *(Showing top five only)*

- **Our strategy is to improve the whole customer life cycle/lifetime value**
  - Critical priority: 59%
  - High priority: 28%

- **Save our customers time by predicting what they would like to do next**
  - Critical priority: 51%
  - High priority: 35%

- **Use analytics combined with context awareness to customize the experience**
  - Critical priority: 46%
  - High priority: 46%

- **Use CX tools to identify opportunities to reduce friction and create value for the customer**
  - Critical priority: 44%
  - High priority: 42%

Base: 111 – 174 business decision makers who are responsible for the workforce and have knowledge of the digital transformation at their organization

Source: A commissioned study conducted by Forrester Consulting on behalf of NICE February, 2017
Optimize The Workforce Experience To Deliver Excellent CX

To engage with customers, organizations must shift workforce experiences by transforming tools and changing existing processes that can adapt to employee preferences (i.e. tools, apps, and devices) to enable them to complete the task at hand, which is critical for success.

Cross-organizational collaboration is the foundation for better innovation, faster processes, and greater workforce satisfaction. Over half of organizations surveyed have dedicated modern multidisciplinary collaboration across all lines of business and partners to improve the customer experience. These teams are located in a center of excellence.

To break down physical barriers to collaboration, 38% of organizations have also deployed flexible project and work spaces that foster co-innovation and teamwork.

Better workforce engagement boosts CX and improves profit margins. How? By equipping workers with the right tools, they can gain a greater understanding of the end-to-end experience and what they can do to improve it, look for additional cross-sell and upsell opportunities, and maximize the revenue from every customer interaction.
Capture The Potential Of Omnichannel Service

Businesses realize that blending multiple channels into a seamless omnichannel service is table stakes. Customer service representatives must have the right tools to move between channels and provide excellent service regardless of what channel they are using. As physical and digital experiences become more intertwined, organizations plan to improve customer service capabilities using technology to develop or improve digital channels (45%) and integrate cross-channel experiences (39%) to enable customers to seamlessly interact with the brand in a variety of ways. In fact, Forrester’s research shows that customers rely more on self-service tools than being on the phone with a customer service agent.

Eighty-seven percent of organizations plan to use digital technologies to create value for customers in the next 24 months. Not only are organizations looking to leverage technology for transforming customer experiences, but they’re also looking to automate and streamline back-office processes. For example, automating noncritical activities or highly repetitive or tedious tasks frees up the workforce’s time to focus on value-added activities such as better understanding customer behaviors and interactions with the organization.

“What actions is your organization taking to improve the experience of your customers?”
(Select all that apply; showing top five only)

- Developing/improving digital channels: 45%
- Integrating cross-channel customer experiences: 39%
- Improving analytic capabilities to improve customer insights: 37%
- Using communities and other types of social computing: 35%
- Efforts to create more valuable content for customers: 32%

Base: 311 business decision makers who are responsible for the workforce and have knowledge of the digital transformation at their organization. Source: A commissioned study conducted by Forrester Consulting on behalf of NICE, February 2017
Excellent Customer Service Starts Now

Though many organizations agreed that they need to deliver world-class customer experiences and improve the customer life cycle, they are still hindered and miss the target when delivering consistent and optimized services. If businesses hope to succeed in the digital age, they must begin to close the gaps and prioritize not only the customer but the entire customer journey. The study revealed that organizations need to:

› **Embed the customer journey analytics into the everyday operations.** Merely asserting that the business is going to deliver world-class experiences is an empty promise if there is no action taking place. Understanding the customer journey is only a step. It’s also critical to embed customer journey analytics throughout the organization, operationally and technologically. For example, leveraging AI, which has the power to analyze huge amounts of data from various sources including human behaviors and emotions, can create more meaningful customer experiences by recommending products and services and even predicting what customers want.

› **Arm their workforce with personalized tools.** Businesses have mountains of customer data available to them from understanding preferences, purchase history, payment information, and more. Similar to understanding the customer journey, it is time for organizations to fully understand workers’ journey. This will allow organizations to personalize the environment to their skillsets and adapt the tools to their needs, behavior, and preferences.

› **Enable agile technology infrastructure to better prepare for the future.** Organizations can leverage a wide variety of technology to provide deeper insight into their customers, predict what customers want, connect with customers through various channels, and create exceptional customer experiences. Keeping up with the pace of change requires agile solutions like cloud computing to deliver flexible and efficient processes and maintain relations with the customer. Business and technology leaders should explore potential partners that can support them through new solutions and technology infrastructure, industry expertise, and knowledge of how to automate back-office operations, while helping scale technology as the business grows.
Methodology

This Technology Adoption Profile was commissioned by NICE. The custom survey questions were fielded to 311 business decision makers who are responsible for the workforce (various types of personas) and have knowledge of the digital transformation at their organization. Survey respondents are from France, India, the UK, and the US. The custom survey was completed in February 2017. For more information about Forrester’s data panel and Tech Industry Consulting services, visit Forrester.com.