

# Intelligent CX:

Deliver on the New CX Promise  
by Blending People & Technology  
in a Budget-Conscious Way



# Executive Summary

Customer experience (CX) programs are undergoing a significant transformation. On one hand, customers expect more personalized and empathetic services delivered in a timely fashion. On the other hand, economic uncertainty is driving businesses to re-evaluate their current strategies, processes, and technologies to identify efficiencies and drive future resiliency. Ensuring continued customer satisfaction and cost-efficiency in this environment is a delicate balance, and companies with intelligent CX programs in place are succeeding in delivering on this promise (as seen in the callout box).

Businesses that have intelligent CX programs develop internal capabilities that enable them to provide seamless assisted and self-service experiences. They also equip their employees with relevant tools to maximize employee productivity and employee engagement, which leads to better CX outcomes. Consequently, business leaders with intelligent CX capabilities boast greater operational success and reduce operational costs without compromising customer satisfaction. This e-book will explore the goals and strategies that:

- Influence the need for intelligent CX programs
- Highlight the performance impact enjoyed by those strategically blending their technologies and people
- Reveal the top technologies savvy business leaders use to ensure they exceed customer expectations across all engagement channels



## **Definition: Intelligent CX**






For the purposes of this research, Aberdeen defines Intelligent CX as contact centers using advanced technologies, such as AI and automation, to leverage data in real time to manage customer interactions in a truly personalized fashion. Employees in these contact centers also have the same view of data at the same time. This compares to traditional CX programs where contact centers typically manage customer conversations with available data that's typically generalized and not real time. Employees in contact centers with this approach also tend to have different views of CX data.

# Future Economic Uncertainties Call for New Priorities

In January 2023, Aberdeen conducted a survey of 587 CX leaders from around the world, representing companies of various sizes and industries, to understand the key trends and best practices influencing their activities. The findings revealed that business leaders worldwide face numerous operational challenges affecting their activities. Economic uncertainty, changing consumer purchasing power, inflationary pressures, and supply chain issues were among the top challenges. Despite these challenges, improving customer satisfaction emerged as the top goal for business leaders, as highlighted in Table 1. This indicates that CX and contact center leaders recognize the significance of customer satisfaction and strive to excel in this area despite the economic and other pressures companies face.

The second-most-cited goal reported by these business leaders adds more perspective to the priorities driving CX programs. Data shows that firms aim to increase operating efficiency and reduce costs as their second-highest objective. This is crucial, as during times of economic uncertainty, firms want to maintain a healthy balance sheet that allows them to continue addressing customer needs while also taking advantage of possible growth opportunities. Uncovering inefficiencies in CX delivery processes allows firms to reveal ways to reduce costs while creating happier customers. This helps support growth in profit margins through growth in customer loyalty and spend – cited as the third and fourth top objectives in CX leaders' agenda.

**Table 1: Top Strategic Priorities Driving Intelligent CX Programs**

Top Priorities (n=584)		All Businesses
	Improve customer satisfaction	<b>39%</b>
	Increase operating efficiency & reduce costs	<b>35%</b>
	Retain existing customers	<b>28%</b>
	Increase top-line revenue	<b>23%</b>
	Improve employee engagement	<b>17%</b>

Source: Aberdeen, February 2023

Note: The percentages in Table 1 don't add up to 100%, as the corresponding question on top goals was asked as a multi-choice question allowing respondents to pick up to two choices.

Ensuring customer satisfaction and loyalty while controlling and reducing costs requires business leaders to build and manage customer interaction processes in a hyper-efficient manner. This is where employee empowerment becomes central to business success. Organizations that don't recognize the direct and vital impact employees have on generating desired CX outcomes are bound to fall behind peers that recognize its importance and invest in empowering employees with relevant tools and information. To this point, Aberdeen's CX survey shows that, on average, 73% of companies are not satisfied with their ability to use data to achieve their goals, which can be any of the top goals cited in Table 1.

Struggling to empower employees with the right knowledge or the right tools to address customer issues also results in a loss of time. Survey respondents reported that agents are spending 12% of their time seeking relevant knowledge to address client issues. Hence, firms must excel in leveraging existing data in real time and across all departments to delight their clientele while delivering truly personalized and consistent interactions. After all, this is what intelligent CX programs are all about.



Three out of four business leaders are unhappy with their CX programs and want to do better. Additionally, 73% say they currently struggle using their data to achieve their desired CX and operational outcomes.



# Drive Greater Business Success with Intelligent CX Programs

Although three out of four business leaders struggle with using data in their CX programs, it doesn't mean that all firms fail in their intelligent CX programs. Leveraging metrics commonly used to measure the success of achieving the top goals noted earlier, Aberdeen identified a group of businesses that lead the way in intelligent CX. These companies are labeled as Best-in-Class, as they rank in the top 20% of the entire survey respondent base and outpace their peers (All Others) in achieving superior outcomes across key operational and CX metrics, including annual revenue, customer retention and satisfaction, and average response time (as shown in Table 2).

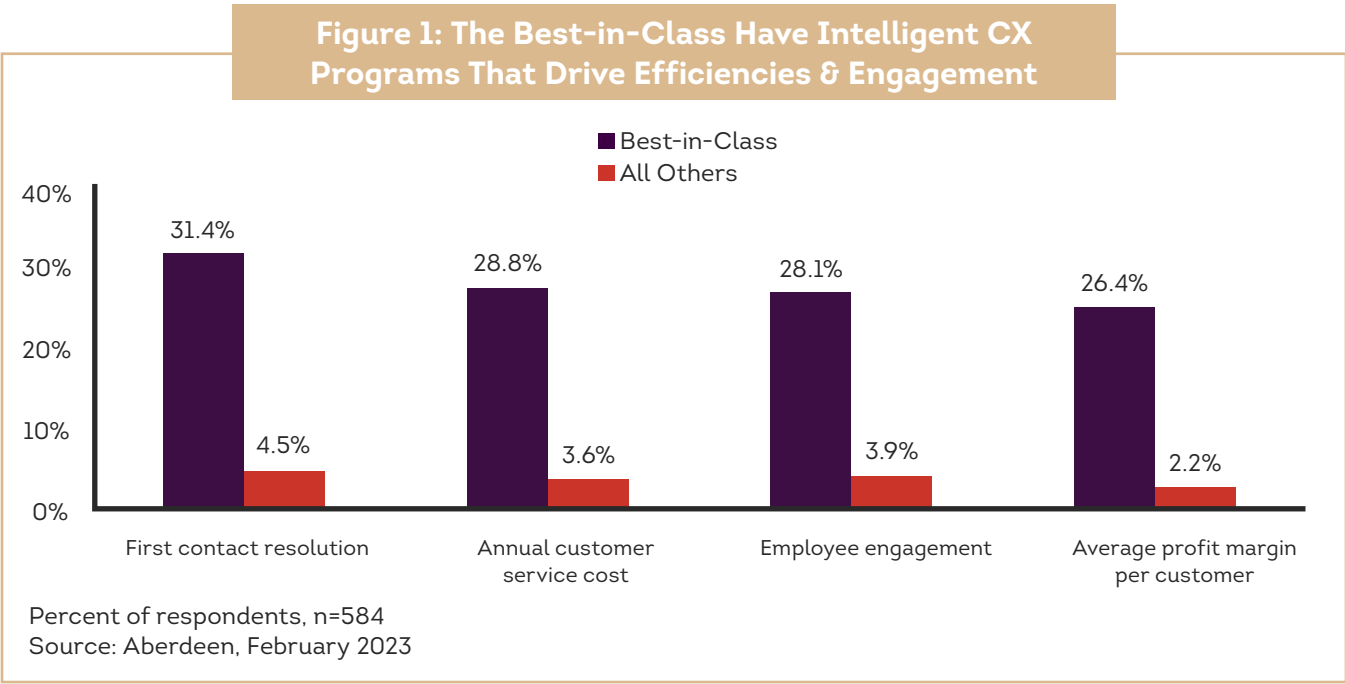
**Table 2: The Best-in-Class Enjoy Greater Performance Success**

Performance Measurement (n=584)	Best-in-Class	All Others
Customer retention	<b>78.0%</b>	<b>46.0%</b>
Year-over-year improvement in average response time to customer requests	<b>45.0%</b>	<b>-0.1%</b>
Year-over-year improvement in customer satisfaction rate	<b>39.1%</b>	<b>1.8%</b>
Year-over-year improvement in annual company revenue	<b>33.2%</b>	<b>-0.1%</b>

Source: Aberdeen, February 2023

Table 2 demonstrates that Best-in-Class firms achieve remarkable success in customer satisfaction and loyalty compared to their peers, with a 21.7-times greater year-over-year (YoY) increase in customer satisfaction rate (39.1% vs. 1.8%) and a 70% greater YoY increase in customer retention rate (78% vs. 46%). Growth in customer satisfaction and loyalty are closely connected to an organization's ability to address client issues efficiently and rapidly. To this point, Table 2 also shows that Best-in-Class firms leading the way with intelligent CX programs report 45% YoY improvement in response time to customer issues, compared to a 0.1% YoY worsening by their counterparts.

In addition, intelligent CX users' success in handling customer issues efficiently is linked to their achievements in boosting first contact resolution rates and employee engagement, as shown in Figure 1. Top performers achieve a 7-times greater YoY increase in first contact resolution rates (31.4% vs. 4.5%) and a 7.2-times greater YoY increase in employee engagement (28.1% vs. 3.9%). By empowering employees with the proper information and tools, Best-in-Class firms successfully address customer needs, resulting in higher first contact resolution rates, more efficient workflows, and decreased service costs.

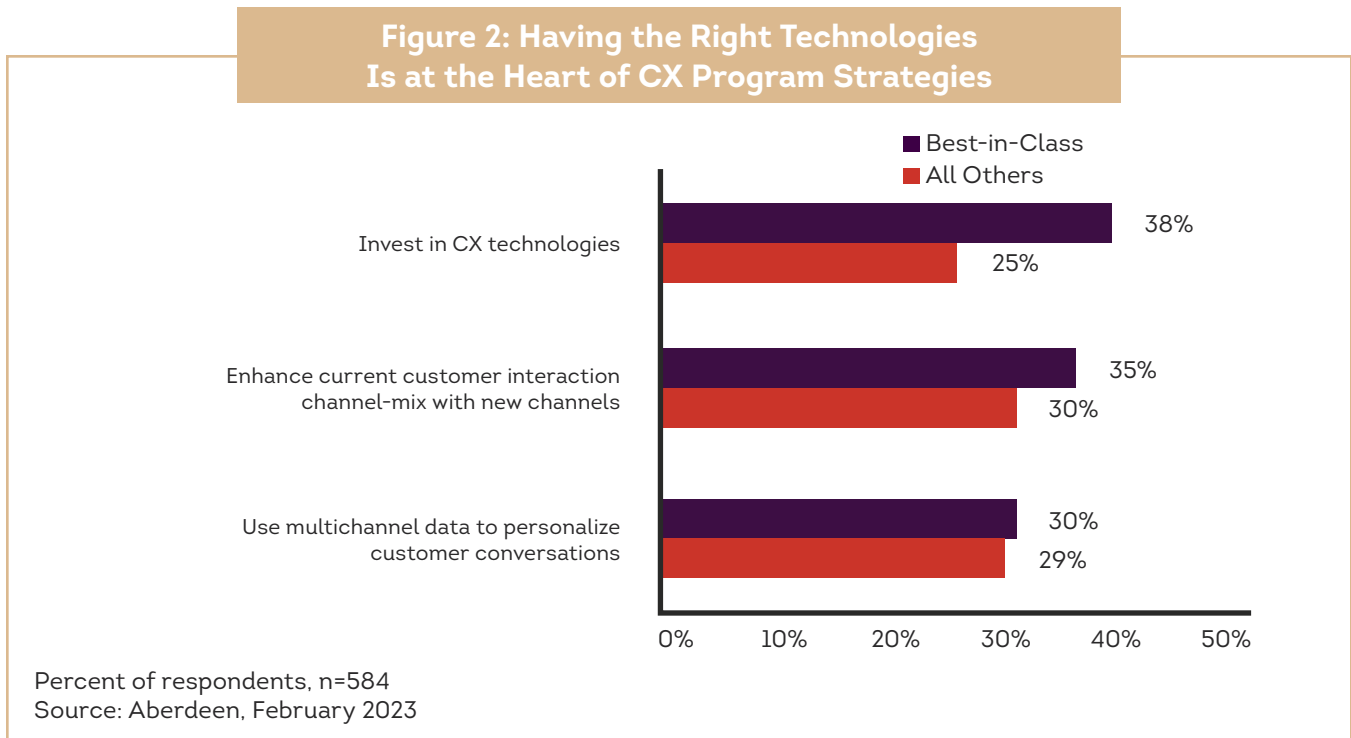


Another key finding noted earlier in this e-book was CX leaders' focus on reducing costs and increasing efficiency. Data in Figure 1 shows that Best-in-Class firms with intelligent CX programs lead the way in this area. They report 8-times greater YoY improvement in service costs (28.8% vs. 3.6%) and 12-times greater YoY increase in profit margins (26.4% vs. 2.2%).

Combining the performance findings analyzed in this e-book and the results from Aberdeen's CX survey, it's evident that **business leaders don't need to sacrifice customer satisfaction to reduce costs**. In fact, the opposite is true, as customers receive an elevated experience with decreased effort and time needed to address their issues. This increase in positive experiences leads to repeat transactions that translate into revenue growth over time. By combining decreasing service costs and increasing customer lifetime spend, the Best-in-Class see larger growth in their customer profit margins. By creating intelligent CX programs that begin with empowered employees, Best-in-Class businesses achieve efficiencies across the board that ultimately lead to more satisfied customers and long-term financial success.

# Fuse People & Technology to Boost Efficiency While Keeping Customers Happy

So, what strategies are the Best-in-Class using to build and nurture intelligent CX programs? As depicted in Figure 2, **investing in technology is a centerpiece of how these leading firms excel in creating happy customers while reducing costs and boosting profits.**



Despite economic uncertainty, Best-in-Class businesses continue to invest in CX technologies. Technology and convenience are synonymous with one another when it comes to delivering an effortless experience for customers. In a highly competitive market, customers hold the power, and businesses need to optimize each touchpoint along the customer journey to win their loyalty. Those who decrease their CX technology investments risk falling behind. One bad experience can cause customers to consider alternative providers for the same products/services in search of a better experience.



Technology is the foundation for empowering employees and building superior CX programs. The Best-in-Class are 52% more likely to invest in key CX technologies to fuel their intelligent CX activities and outpace All Others.

Another strategic priority for business leaders is enhancing their current customer interaction channel-mix with new channels. Today, businesses use an average of 16 channels in their channel-mix, compared to 10 channels in 2020. This 60% jump in just three years highlights the need for a 360-degree customer view and truly personalized and consistent conversations across all channels. With a greater number of engagement channels, it becomes more challenging for businesses to ensure hyper-personalization of their CX activities.

Lastly, multichannel data for personalization is another strategic priority for businesses, as they need to leverage their data (both customer *and* operational) to understand the variety of challenges customers face and address them efficiently. This is one of the key areas in which Best-in-Class firms with intelligent CX programs separate from the rest of their peers, who struggle using data to achieve their goals.

Figure 3 shows the technologies that contact center and CX leaders report as top strategic investment areas in 2023 and beyond. The dark purple bars in the figure show the current adoption of each of the top technologies that firms plan to invest in, while the red bars show the percentage of firms planning to invest in each relevant technology. From top to bottom in the chart, customer sentiment intelligence is a top focus area for contact center and CX leaders. This technology allows business leaders to monitor customer sentiment such as satisfactory and unsatisfactory interactions, and combined with root-cause analysis, helps determine inflection points along the customer journey that positively or negatively impact CX results. These insights are vital as they help firms uncover areas of improvement as well as areas of strength.





AI, machine learning, and automation round out the second, third, and fourth top technologies for planned investments. These tools have become top of mind for many business leaders to bolster business success and further strengthen activities to achieve CX results in just a few short years. Findings from Aberdeen's CX survey show that the number one reason why companies invest in AI, automation, and machine learning is to drive more intelligent conversations with customers across all channels. This, paired with 73% of businesses struggling to use data in their CX activities, is telling as it shows that companies are turning to AI and automation to address their challenges affecting their ability to drive truly data-driven and intelligent customer conversations across all engagement channels.

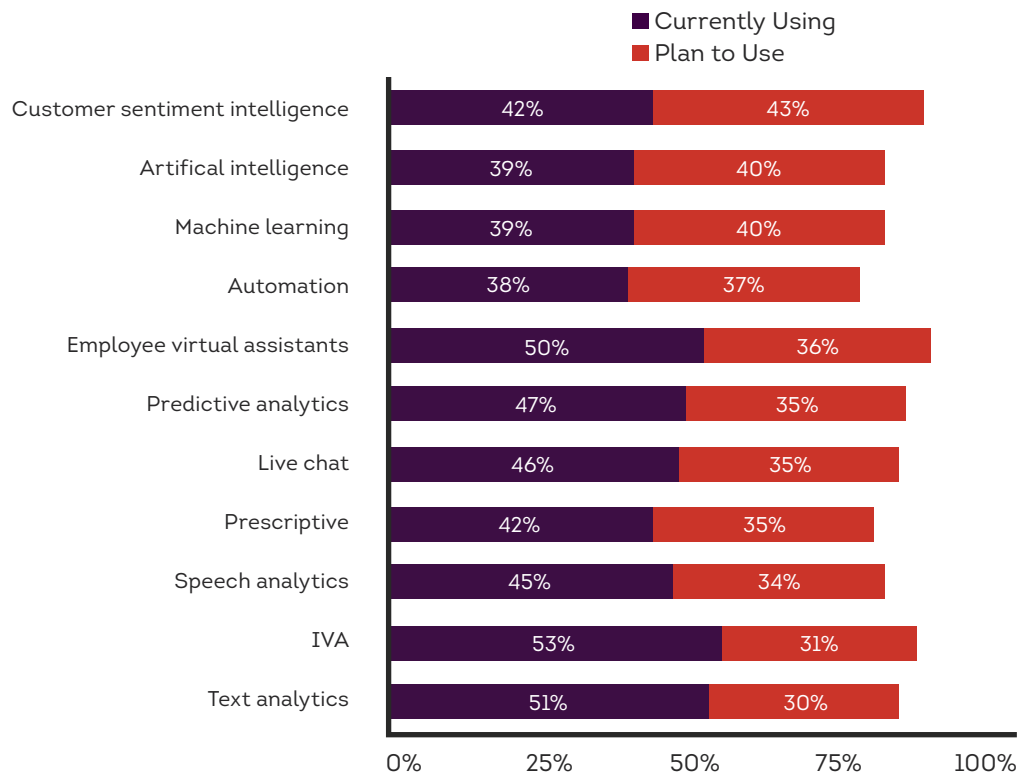
The popularity of emerging tools like ChatGPT is yet another draw for business leaders prioritizing AI and related technology spend. Generative AI capabilities that enable customers to interact with a chatbot have more meaningful and rich answers. Generative AI and other large language models capabilities can also:

- Enable employees to use the same tool to provide suggested answers such as canned text for live chat sessions or emails, helping increase employee productivity
- Summarize calls consistently and provide notes for future calls
- Make it easier to analyze the contents of conversations



It's important to note that use of AI doesn't mean replacing human agents completely in the contact center. Rather, it empowers firms with more intelligent and advanced self-service capabilities, enabling customers to address more of their issues themselves without needing to wait to speak with an agent or explain their issue. This also empowers agents who are now focused on handling more high-value and high-touch conversations to be more productive when handling those conversations.

**Figure 3: Best-in-Class Firms Weave Analytics, AI & Automation Throughout Their CX Activities**



Percent of respondents, n=584  
Source: Aberdeen, February 2023

Employee virtual assistants, along with prescriptive intelligence, play an important role in helping firms empower their employees to address customer issues efficiently. Intelligent virtual agents (IVAs), also referred to as *enterprise chatbots*, are effective in the contact center and beyond. They can address a variety of questions, such as identifying internal subject matter experts (SMEs) that agents can work with to address client issues, providing agents with guidance on where to find relevant company portals to request time off, and granting easy access to on-demand coaching and training materials, among others.

Prescriptive intelligence tools refer to tools used to provide employees with real-time guidance on what articles to use when interacting with specific customers to maximize the likelihood of issue resolution. They suggest paths and even scripts designed to enable agents to lead the customer journey to desired outcomes. Such empowerment of agents eventually makes it easier for employees to do their job and helps boost overall employee sense of belonging and success which manifests itself with superior CX results.

Figure 3 also reveals that contact center and CX leaders are prioritizing several analytical tools for planned investments. Those are predictive analytics, speech analytics, and text analytics. Predictive analytics helps firms predict the likelihood of certain events happening in the future. Examples include projected level of traffic through certain engagement channels, likelihood of customer churn, and cross-sell/up-sell likelihood. By using predictive analytics in combination with automation and AI, business leaders can design and execute truly agile and intelligent CX programs that adjust as customer and operational realities change.

Speech analytics helps firms analyze phone and interactive voice response (IVR) data. Text analytics, on the other hand, helps analyze text such as call transcripts and chat transcripts for myriad purposes, including quality assurance and real-time agent guidance.

While employee virtual assistants (internal IVAs) are designed to service company employees, external IVAs, or customer service IVAs are designed to serve the company's customers and prospects. The latter is among the top technologies that contact center and CX leaders plan to invest in to support their intelligent CX activities. IVAs allow firms to deliver intelligent self-service experiences where firms can combine AI and automation capabilities with IVA features. This way, the technology learns from self-service interactions; prompts supervisors if, when, and where adjustments may be needed; and helps decrease assisted service interactions that firms need to handle to address client issues.



Although live chat is not as new as some of the other tools observed in this section, it's also ranked in the top planned technologies list for business leaders. Live chat is both a technology tool and an engagement channel where customers can chat with agents through a company website or mobile app in real time to address their issues. As younger individuals who feel more comfortable and even prefer messaging over voice increasingly represent the buying demographic, many B2B, B2C, and mix-model (B2B and B2C) firms increasingly incorporate chat as well as messaging (text messaging and third-party messaging apps such as WhatsApp and Facebook Messenger) within their activities. It's important to note that Best-in-Class firms with intelligent CX programs don't manage conversations across various channels in silos. Instead, they build and nurture a truly connected view of customer data and use all the above tools in harmony to deliver a truly consistent and personalized experience across all channels and devices.



Cloud technology makes the adoption of modern capabilities easier for many business leaders. As opposed to significant up-front investment costs to add these capabilities, firms can access them through cloud licenses in a more flexible payment model that enables scaling up and down based on changing technical as well as operational needs.



# Key Takeaways: The Value of an Intelligent CX Program

As business priorities continue to evolve, leaders must address change on all fronts, including shifting customer expectations and fluctuating macroeconomic conditions. They must do so efficiently while decreasing operational costs *and* keeping the customer happy. Best-in-Class businesses have smarter, more intelligent CX programs that allow them to achieve these goals. To adopt an intelligent CX program and reap its benefits, businesses need to blend their assets – technologies and people – to deliver both customer and financial successes.

To elevate your CX program, consider the following strategies:

- **Don't just adopt AI and automation; fuse them across your technology stack.** Simply adopting these capabilities is no longer enough. As you add more channels, use AI and automation throughout assisted and self-service channels to create smarter, AI-driven processes that boost operational efficiencies and CX success.
- **Set your employees up for success.** Customer-centric strategies begin with an employee-centric focus. Ensure that employees have access to a 360-degree, real-time view of the customer so they're equipped with the tools and processes needed to continue nurturing customer relationships.

Intelligent CX programs require a strategic balance between prioritizing operational efficiencies and making the customer happy. Savvy business leaders must adopt technologies that empower their employees to efficiently self-solve and deliver experiences that exceed customer expectations. In doing so, businesses position themselves as CX trailblazers, both now and in the future.



Explore Intelligent CX