Customer Experience **Trends** to watch out for in **2018**

Brave New World

The 2017 Digital Trends in IT Report by Econsultancy and Adobe conclusively stated consumer demands are rapidly evolving beyond what organizations were prepared to handle. Keeping up with constantly changing demands was cited as a key challenge by over 40% respondents. There is a heightened pressure among businesses worldwide to stay competitive and deliver real time personalized services and seamless customer experiences in the digital age.

Customer experience (CX) is the set of interactions between a customer and an organization throughout their business relationship. The interactions may range from awareness, discovery, cultivation, advocacy, purchases and service. Technology has put unprecedented power in the hands of the customers to dictate the rules in purchasing goods and services.
75% of customers expect immediate service within five minutes of first contact.

Customer Experience is no more considered to be an afterthought, rather it is now seen as an increasingly strategic function within the business, and it is the key to effective digital transformation and customer experience initiatives. Leading digital players such as Google and Amazon thrive on their ability to provide seamless experiences for their customers and have since raised the bar for immediacy, personalization, and convenience. A research by American Express found that 60% of customers are willing to pay more for a better experience. Hence It is no longer sufficient for the customer facing functions of the organization to react merely in response to customer needs.

Omnichannel customer experience is the new normal when it comes to customer demands today and is the key to achieving the company's overarching business objectives. Business leaders need to take ownership and drive change within the modern, digitally-enabled organization. In fact, companies who have successfully implemented an omnichannel customer experience strategy achieve higher customer satisfaction rates, reduced customer churn and enhanced revenues. This is why companies that deliver a superior customer service and experience outperform their competition.

However, change is easier said than done. It takes patience and courage to build an organization that is able to consider the customer at the center of all operations and redesign functions to create value. It is hence imperative for business leaders to stay abreast of customer experience trends, strategize and implement them to remain competitive in the current business landscape.

Here we bring you the latest trends for the year 2018 which will form the crux of your customer experience strategy.

Customer Experience Trends for 2018

Excellence will be driven by Consistent Customer Experiences

There is a dire need for business leaders to identify and understand all facets of their customer's journey. Companies that pay attention to the complete, end-to-end customer experiences have more satisfied customers rather than companies that focus on improving individual interactions across touchpoints such as billing, onboarding, servicing and so on. In fact, according to a study by McKinsey & Company, maximizing satisfaction within customer journeys has the potential not only to increase customer satisfaction by 20% but also to lift revenue by up to 15% while lowering the cost of serving customers by as much as 20%.

A customer journey is distributed across multiple touchpoints and has a clearly defined beginning and end. Business need to own the outcomes of the overall journey and not the outputs of individual touchpoints in order to deliver a superior customer experience. McKinsey revealed in a recent survey in the health insurance sector that 73 percent of customers are more likely to be satisfied with superior overall journeys rather than excellence across touchpoints. Even in the hospitality industry, 61 percent of customers recommend hotels that deliver a superior overall customer experience.

https://reprints.forrester.com/#/assets/2/73/'RES135929'/reports

According to a recent survey by Forrester, 25% of companies said that improving cross-channel customer experiences was a step to improving customer experience in the coming year.

Customer Experience will drive a Shift in Business Models

In 2018, organizations that invest in transforming their customer experiences will get the edge over those that do not. As per 2017 Global Customer Experience Benchmarking Report from Dimension Data, even though 89% organizations claimed that customer experience transformation was a strategic priority, over 51% of businesses are failing to actually transform.

Business that aggressively implement a clear customer experience strategy will experience massive growth within the next three years. In fact according to Walker Research, customer experience will overtake price and product as the key brand differentiator by the year 2020. Needless to say, businesses need to align their business models and make customer experience an integral part of their business strategy in the coming years.

https://www.superoffice.com/blog/customer-experience-statistics/

Gartner predicts that by 2018, more than 50% of organizations will implement significant business model changes in their efforts to improve customer experience.

Omnichannel Customer Experience becomes the norm

A decade and a half ago, when the Internet penetration was limited, the average consumer typically interacted with a business over one or two touch points before making a purchase decision. Today's digitally enabled customers regularly use more than six touch points on an average before purchase decisions are made. The most popular touch points are Phone (61%), email (60%), Live Chat (57%), online knowledge base (51%) and "click-to-call" support automation (34%).

Building an Omnichannel strategy offers compelling benefits for both the business and the customer - such as better prospect acquisition, increased channel efficiency and improved customer retention rates. In fact a study by Aberdeen Group Inc. revealed that companies with the strongest omni-channel customer engagement strategies retain an average of 89% of their customers, as compared to 33% for companies with weak omni-channel strategies. The customer focused omnichannel strategy also promotes a sustainable sales culture within the organization. Even though investment in an omnichannel strategy is seen as an opportunity cost in the short term, it helps enhance productivity and generates significant revenue in the long run.

http://www.expertflow.com/blog/contact-center-trends-for-2018/

According to a survey conducted by Aspect Software, businesses that adopt an omnichannel customer experience strategy achieve 91% greater year-over-year customer retention rates compared to business that don't.

Personalized Experiences will be the key to Customer Delight

Gartner predicts that by 2018, more than 50% of organizations will redirect their investments to customer experience personalization. Businesses are increasingly leveraging new technologies such as location based communications, machine learning, predictive customer service etc. to deliver personalized journeys for customers.

The addition of big data and machine learning takes customer experiences to a whole new level. The more businesses learn about their customers on a 1:1 level, the better is their customer experience. Machine learning algorithms allows businesses to implement granular, automated, real time personalization without the huge, additional resource costs. In case of businesses, where thousands of monthly customers are the norm, this is a blessing in disguise.

Hence it is no more prudent for businesses to use a blanket approach when servicing customers in 2018. Businesses that cater to the unique needs of their customer will gain the competitive advantage over those that do not.

https://www.fullcontact.com/blog/get-to-know-the-people-behind-the-profile-with-the-fullcontact-for-marketo-integration-pmk/

According to Accenture, 81% of consumers want brands to get to know them and understand when to approach them (and when not to).

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According to Steven Van Belleghem of Insights Consulting, 70% of customers expect a company's website to include a self-service application.

Self-service, AI and Automation will be imperative to your business growth

Despite the indispensable nature of mobile technology, 72% of millennials said calling is not the best way to solve their problems. Millennials prefer self-service and intelligent chatbots as the norm for initial interactions with businesses. In fact, according to a survey by CRM Magazine, it is estimated that 45% of companies offering web or mobile self-service reported an increase in site traffic and reduced phone inquiries.

Self-service technology should be a top priority for businesses in 2018 because it is proven to enhance customer retention rates and reduce upto 90% of customer support costs. Chatbots and virtual assistants will get more sophisticated and personal in 2018, where they will not only be able to respond but also be able to seamlessly track the customer journey without human intervention. Bots will help users find answers to their queries faster, irrespective of the device or channel the customer is currently on.

Machine learning and Deep Neural Networks are the key AI initiatives that are adding perceptive capacities such as reasoning learning, and understanding to machines. By evolving continuously, these intelligent machines have now become capable of emulating the human-involvement across each step of the customer journey.

As per Gartner, by the end of 2018, "customer digital assistants" will recognize customers by face and voice across channels and partners.

https://www.slideshare.net/stevenvanbelleghem/the-self-serving-economy

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Conversational Commerce will have a key role to play

Conversational commerce is the amalgamation of shopping and messaging, where the act of purchasing is performed through online and mobile conversations. Business leaders believe conversational commerce is going to be fundamental in the future. In fact, according to a study by PriceWaterhouseCoopers, 72% termed it a "business advantage." Gartner predicts that by 2020 a customer will manage 85% of his relationship with a business without human interactions.

Businesses have yet to tap into the full potential of personalized and predictive recommendations served up via messenger apps in a post-transactional sequence. Using machine learning it is now possible to predict customer needs, serve products directly on the platform and allow native purchases within communication apps. While it serves as an additional channel to generate revenue, the strength of Conversational Commerce lies is in the business's ability to analyze and dissect the relevant data. The year 2018 could well be the point in the timeline where AI-driven interactions would get beyond being a mere feature and become specialized products in themselves.

https://postfunnel.com/7-mighty-customer-experience-trends-for-retention-in-2018/

According to IDC, 40% of commerce transactions will be enabled by cognitive/AI personal shoppers and conversational commerce by 2020.

Connectivity and Integration will lead to Proactive Customer Engagement

The connected ecosystem of devices powered by the Internet of Things will raise the customer expectations to unprecedented levels in 2018. IoT devices and integrations provide outstanding customer experience by forming a constant bridge between the business and the customer. Instead of being reactive, businesses can now respond proactively to customer needs by measuring and analyzing data from these IoT devices. For e.g. businesses can now alert their customers when they need to service their cars, stock up on groceries, and in some cases even remotely fix their appliances.

Organizations in the financial services, media and communication, and manufacturing industries are leading the charge, and we expect the trend towards what we call 'proactive customer experience' to accelerate. Hence businesses looking to innovate in 2018 cannot overlook IoT within their customer engagement strategy as this technology is proven to driven up customer satisfaction and brand loyalty.

https://www.zebra.com/content/dam/zebra_new_ia/en-us/solutions-verticals/vertical-solutions/retail/brochures/retail-study-2017-en-global.pdf

According to 2017 retail vision study conducted by Zebra Technologies, 70% of retail decision makers globally are ready to adopt IoT to improve customer experiences

Conclusion

It is evident that Customer Experience will take the centerstage in the **business landscape in 2018**. While successful businesses will leverage **intelligent automation, personalization, artificial intelligence** and **machine learning** to build data-driven customer centric business strategies, it is to be noted that real value will be generated through ongoing transparency in all interactions. Customer experience needs to evolve not only from a technological or business perspective but has to take into account, the customer's needs and wants. CX will therefore have to be interactive, exciting and engaging.

Evolving customer expectations will pose new challenges to all businesses. As opposed to a decade earlier, organization that fail to evolve rapidly towards customer centricity will struggle while agile businesses that put the customer at the heart of all innovation will adapt and ultimately thrive. Hence it is prudent for businesses to get ahead of these trends, plan a comprehensive customer experience strategy and implement the same to achieve successful outcomes and remain competitive.

About Wolken Software

Wolken Software is a premier software company with an impressive portfolio of out-of-the-box, configurable and scalable enterprise - class service desk solutions that help modern organizations transform their relationships with customers and employees. With offices in Palo Alto, CA and Bangalore, India, we empower customers around the world to offer the highest level of service performance, quality, and delivery. Built on a modern technical stack, our ITIL-compliant and **PinkVERIFY™** - certified solutions can be deployed on the cloud or on premise.

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