


White Paper

CUSTOMER CARE IN 2030: TOP TRENDS DRIVING THE FUTURE



Seven trends will turn today's customer-care cost center into tomorrow's profit engine. Is your company ready?



The future of customer care is already here for early adopters.

They've reimagined customer service as something experiential and relationship-building rather than just functional and transactional. Their contact centers not only pay for themselves with incremental sales and long-term customer value, but also drive brand affinity. But those companies remain in the minority. That said, it's a growing one: Gartner predicts that 40% of contact centers will turn into profit centers by 2025, making them de facto leaders in digital customer engagement.¹

Where will your company be when the future starts arriving for the rest of your peers?

The answer depends largely on how quickly and fully you embrace seven trends that are transforming today's customer experience (CX) and, by extension, customer care. While some of these trends aren't new, companies that are integrating and capitalizing on them remain in the vanguard. Among those businesses, an even smaller cohort have put themselves well ahead of the pack in transforming their customer-care function from a cost center into a sales engine.

There's no reason your company can't join them.

Here's how to do it:

TREND 1 /

Perfect automation:

Foisting frustrating versions of interactive voice response (IVR) tools on customers is already becoming old school. Instead, contact centers will make more sophisticated use of speech recognition and natural language processing (NLP) for self-service options. They'll also thoughtfully deploy AI-powered digital assistants in ways that satisfy rather than alienate customers. In fact, for the majority of interactions, soon these technologies will provide a better customer experience than speaking with a live agent.

¹ <https://www.gartner.com/en/newsroom/press-releases/2021-01-12-gartner-predicts-80--of-customer-service-organization>



TREND 2 /

Integrate omnichannel communication:

In the future, “seamless” will be more than just a catchword when it comes to customer contact across all touchpoints, including call centers. At present, however, omnichannel often just means an aggregation of siloed channels and a disjointed customer experience. Next-gen omnichannel will have to deliver on the promise of frictionless, integrated CX to meet customer expectations, whereas just a minority of brands successfully do that today.

TREND 3 /

Hone hyper-personalization:

This should be a no-brainer, but for too many brands personalization remains a blunt instrument, especially when it comes to customer care. Chief culprits in achieving future-state personalization are insufficient data, poor analytics and ill-designed communications that inadequately leverage personalization. This needn't be the case. Trailblazers are mining customer data for all it's worth, generating ROI while making their customers feel like distinct individuals, not vague algorithmic outputs. By 2030, this will be a baseline expectation.

TREND 4 /

Prioritize proactive contact:

Passive defense is not the best way to cultivate customer relationships. Customer care of the future will leverage real-time analytics and machine learning to preemptively engage with customers about likely or detected problems, incremental sales and retention. The days when most agents simply stand by as complaint handlers will be a thing of the past by 2030.

TREND 5 /

Nurture relationship agents:

Instead of training contact center agents for specific types of customer issues, companies will digitally empower agents to focus on the customer's lifetime value and overall relationship with the company. The emphasis will be on treating customers like people to be cultivated rather than as problems to be solved.

TREND 6 /

Gauge real CSAT in real time:

Since survey-based customer satisfaction (CSAT) scores provide a limited, polarized and delayed window on what customers truly think, CX leaders will increasingly rely on AI-powered sentiment analysis instead. And they'll do it in real time, so that interaction-specific CSAT will be converted into actionable insight *during* a customer interaction, not just afterwards.

TREND 7 /

Pay for outcomes:

Today, rate per hour is the primary variable in determining contact center pricing. In the future, companies will take a performance-based approach, compensating contact centers based on business outcomes rather than rate per hour. Deflecting customer contacts via automation, generating incremental sales through proactive personalized recommendations and driving customer satisfaction will be at the forefront of outcome-based pay.

If your company doesn't want to go missing when the future arrives for everyone else, you can't afford to ignore these seven CX trends.

Customer experience as a differentiator matters more than ever now that inflation is making it increasingly difficult to compete on price, with most customers likely to switch brands after just a couple of bad experiences. Being the ultimate CX pivot point, the customer-care function needs to make problem resolution effortless and foster relationships that generate higher value for both the customer and the company. The rest of this paper takes a look at how various trendsetting businesses are doing just that as they make an early bid for tomorrow.



Perfect automation

On the face of it, automation is doing a pretty good job already. Today, if a customer's issue is relatively straightforward, as often proves the case, chatbots powered by conversational AI can guide the customer through a no-wait, no-lag experience from first contact to resolution. Meanwhile, by gathering essential details and responding to basic queries, AI-driven self-service frees up live agents to handle more complex matters and convert service calls into sales opportunities, while also reducing the time customers spend on hold.

That's the idea, anyhow. But the majority of companies aren't deploying customer care automation as part of an optimized customer journey. In fact, most are still piloting or testing their AI capabilities beyond basic applications like rudimentary IVR, and therefore haven't yet refined their approach. To make matters worse, many companies deploying basic automation have made it intentionally challenging for a customer to reach a live agent (Operator, please!). As a result, few companies are seeing significant ROI or enhanced customer experience to date.

For those investments to pay off, AI must be paired with the right data capabilities and channel integration. That way brands aren't wasting either the customer's or agent's time by repeatedly collecting the same information via web chatbot, IVR telephony, live agent, etc. Whether the customer is trying to simply make an appointment or achieve a more complicated objective like rebooking a multi-leg trip, the goal is to help the customer communicate how and when they want to, with maximum efficiency.

Some future-facing companies are also applying the principles of human-led design thinking to help them get the most out of their customer-care automation efforts. For example, a premiere global hotel brand was seeing sales conversion stagnate in its contact center over time, along with a flattening of its average daily rate (ADR) for bookings. The company addressed these problems by implementing a highly accurate contact-tracking system. It then married the system's data with design thinking, which enabled automation to drive contacts to optimal channels and maximize revenue-generating opportunities. The data also helped the

hotel brand improve its IVR and better train its agents in when and how to upsell, cross-market and overcome price resistance.

The results? Conversion improvement of 12%, ADR growth of 7% and consistent outperformance of the company's upsell target. It's even possible to create superlative customer care environments that almost never involve human-agent intervention at all. Consider a national sports media giant that was searching for an innovative yet cost-effective way to support and grow its user base of 17 million unique fans. With March Madness approaching, the company introduced a custom-made conversational AI agent to guide fans in creating and operating their tournament brackets on the website. Thanks to this innovation, in just a year's time the platform drove its fantasy sports operating costs down by 10% and fueled 122% growth in engaged sessions.

You, too, can enable a virtuous circle of cutting costs and driving growth via your own customer care center. Much of the technology is already sophisticated enough; it's simply a matter of making sure the strategic use of that technology is equally sophisticated. For many companies, this is the biggest gap separating today from tomorrow.





TREND 2

Integrate omnichannel communication

The easier that companies make it for customers to engage with them, the better. That means engaging customers where they are...in other words, everywhere.

Being everywhere — social media, SMS, email, app, web, phone, etc. — requires excelling at omnichannel communication. Currently, however, a little more than one-tenth of companies can seamlessly engage with customers across channels.²

So, is omnichannel just a pie in the sky, a perpetually unattainable future, considering how long it's been vaunted? No. The 10% of companies getting it right proves that omnichannel can deliver on its promise. On the other hand, omnichannel can be a money pit — and a vast one at that, if customer communications aren't integrated across channels and accompanied by rigorous data and actionable analytics.

This proved the case for a multinational entertainment and media conglomerate that had sunk \$3 billion into an omnichannel approach but didn't have the necessary analytics capability to capitalize on it. Without adequate insights into its customer interactions, the company ended up delivering a highly fragmented user experience. Actionable intelligence from such insights is especially important for customer care agents and their

digital counterparts to have for every interaction, and in every channel. Short of that, omnichannel success will continue to elude most companies.

The practical route to that success is to have all information relevant to customer care funnel up into a single dashboard with unified recommendations about next best actions. That way, customer care agents aren't burdened with navigating multiple interfaces, programs and technology systems for even the most routine customer queries. Nor will they be forced to return to square one when a customer switches channels. Not only does switchbacking annoy the customer, but in the case of live agents it also lowers morale and productivity while simultaneously raising average handle time and customer care costs.

The good news is that clearing up this traffic snarl via a single customer care dashboard doesn't have to cost much. And it can be done in just weeks, not months or years.

So, what's the obstacle? Mindset, mostly. At least until lately.

That's because the fastest and most cost-effective way to manage omnichannel communications is to bring all

² <https://www.deloittedigital.com/us/en/offering/customer-led-marketing/digital-customer/elevating-customer-service.html>



customer interactions onto one platform that resides in the cloud. And yet by the time this century reached the 20-year mark, the cloud still seemed too futuristic for some companies. And then along came the pandemic, turbocharging cloud adoption across nearly all industries. In fact, the majority of contact centers expect to be cloud-based within roughly a year,³ whereas until 2020 just one-third ran their technologies in the cloud.⁴ This shift is all to the good, since a single, integrated platform on the cloud provides a 360-degree view of customers, letting a company engage seamlessly with them across channels, even when customers switch midstream. It also helps connect the dots in managing customers based on where they are in their customer life cycle.

While some companies may have the financial and logistical wherewithal to build and frequently upgrade their own central platform, it's a time-consuming and disruptive process that's best avoided if you want to keep pace with future innovations. In a secure, third-party cloud environment, you can swiftly integrate your current infrastructure with the newest tech, maintaining a unified view of your customers through a single pane of glass regardless of your various legacy providers or systems. The ideal cloud environment is not only bespoke, but also highly flexible, delivering you an omnichannel platform on the go, one where you can easily add and remove features as needed, at the speed you desire.

Consider a multinational entertainment and media conglomerate that flawlessly launched its new streaming services across one platform to deliver a universal experience for all its customers. Less than two months before the service's global launch, however, the company worried that it might be unable to handle extreme growth without any downtime, jeopardizing a consistent customer experience and technology stack across its current providers. It also realized that it needed real-time speech analytics and machine learning to obtain vital insights about its customers, including potential user problems, so that the streaming service could keep delivering uninterrupted, exceptional CX while scaling up at an exponential rate.

Having no time to spare, the company found a partner that could provide a hosted, multi-tenant technology environment in mere weeks, as well as fully integrate and analyze huge data sets, thereby ensuring a timely launch, well-coordinated service and utterly reliable customer support. With 10 million subscribers on Day 1, demand on the platform was 16 times what the company had anticipated. The inherent flexibility and scalability of the cloud allowed the platform to rise to the occasion. It scaled 400% in less than a week and then 1,000% in four weeks to meet snowballing demand and handle more than 140,000 customer contacts daily as the new streaming service far surpassed forecasted market share. All of this happened with zero downtime. The company hasn't looked back. For it, the future is already here.



3 <https://www.gartner.com/en/newsroom/press-releases/2021-09-16-gartner-says-contact-center-as-a-service-will-hit-mai>

4 <https://www.deloittdigital.com/us/en/offerings/customer-led-marketing/digital-customer/elevating-customer-service.html>

Hone hyper-personalization

As already evident in the first two trends, data analytics is the name of the game where the future of customer care is concerned, and perhaps nowhere more so than in personalization.

The key to analytics is that it pays to be thorough. In the spirit of leaving no stone unturned, brands should leave no customer interactions unanalyzed. But too often they do. Companies typically analyze a mere 3% of their customer interactions, leaving huge quantities of free customer intelligence untapped. And the data that is tapped often ends up stored where the customer care function can't access it.

But it doesn't have to be that way. And for a small number of companies, it isn't. They're using cognitive AI to analyze 100% of their customer interactions. Doing so lets them obtain volumes of unstructured information that live agents, who are highly focused on the issue at hand, (e.g., a woman wanting to return a rug) might not notice or have time to capture. This information might include incidental household information (she mentions the rug wasn't right for her 10-year-old daughter's room; a dog barks in the background). All of this could be useful for future targeted sales promotions (2-for-1 dog-bed sale, 50% off kids' bedroom décor) and subsequent customer care interactions, including cross-selling.

Brands can take this intelligence and combine it with other customer information such as demographic details

and past purchasing behavior. By applying a blend of predictive and prescriptive analytics to these data sets, companies can then help agents (both human and digital) better understand individual customers (including their churn propensity and likely lifetime value), more satisfactorily address their concerns, anticipate their additional needs and make tailored purchasing suggestions they're apt to welcome. When it comes to this last part — “apt to welcome” — in-the-moment contextual clues are key. This is where advanced cognitive intelligence for digital assistants and the right training for agents prove critical.

But most brands are nowhere close to doing any of this consistently, at scale or with much precision. There are notable exceptions. One of them is a leading, trend-conscious North American fashion brand that wanted to improve contact resolutions, customer satisfaction and sales conversion. It started by using predictive analytics to create various customer shopping profiles and then determined which apparel and accessory combinations were likely to resonate with them. Next, the brand groomed agents to double as fashion advisors who could provide personalized advice — suggesting, for instance, that an ill-advised hat a customer bought with a coat be exchanged for a flattering scarf rather than returned outright. Not only did this approach result in a first-contact resolution rate of 90% and a 23% drop in average handle time, but it also raised the sales



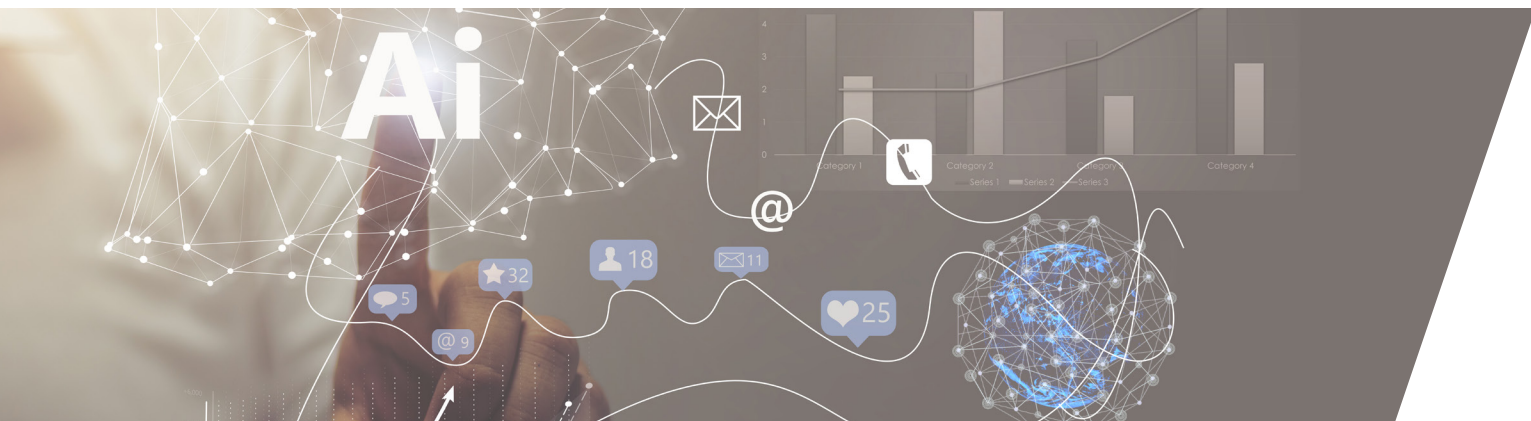
conversion rate by 10%, grew the average basket size by 7% and boosted brand affinity.

An especially exciting development is that cognitive AI can now break down sentiment analytics in real time — while a customer conversation is actually happening. Soon, companies will have the ability to instantaneously feed those insights to a human agent or digital assistant. Doing so will help customer care immediately determine next best steps rather than struggle to find the appropriate solution to a customer's problems.

These real-time insights will also enable context-specific recommendations tailored to a particular customer in a particular moment. This could mean rapidly advancing her down the sales funnel...or not, depending on what the data and AI indicate is the best move in that given instant to maximize the customer's lifetime value. Today's agent-assist tools also have the ability to suggest next best actions in real time based on prescriptive analytics (which draw on look-alike modeling and prior data about the customer). But having instantaneous, actionable insights generated during a call itself will take customer care to the next level.

Although marrying structured customer data with unstructured data is something very few technology companies have the capability and expertise to do well right now, that will change by 2030. Brands already working with a digital partner adept in this area have a distinct advantage in their ability to hyper-personalize customer care. They're also able to obtain consumer intelligence on how to improve products and services, go-to-market strategy, pricing and more.

For example, based on analysis of unstructured data from customer interactions, the fashion brand we mentioned earlier modified its products after realizing that shoe sizes varied depending on whether they were high heels or flats, and that in certain geographies clothes fit differently at various times of the year. With this information, the brand adjusted and clarified its measurement charts and size recommendations, leading to increased conversion, lower returns and a higher percentage of follow-on purchases. As for the brand's customers, these improvements led to an accurate fit — which, for apparel shoppers, is the most important aspect of personalization when you get down to it.



TREND 4

Prioritize proactive contact

By 2030, outbound customer contact will become the norm. Instead of mainly receiving and reacting to inbound queries and complaints, customer care will reach out directly to customers based on internal initiatives, triggering events and outside signals to proactively address anticipated issues, recommend personalized new products/services and pursue retention strategies.

The ability to leverage machine learning in real time at exceptional speed will allow brands to detect a fast-developing problem with a product almost immediately and then rapidly push out a satisfactory solution. For example, if just days before Christmas a major retailer runs out of a top-selling toy but discovers on social media that parents are raving about a similar toy, the retailer can have its customer care agents suggest the



alternative way to customers via SMS, email, etc. However, very few companies are taking this approach to customer care, even though most of them currently engage in cross-channel social listening and content moderation. That will change over the next decade as outbound customer care goes mainstream and companies embrace digital engineering, which can swiftly connect the necessary dots between omnichannel intelligence, content moderation and contact center agents.

Another focus of outbound customer contact will be on generating incremental sales and service improvements. The goal will be less about retaining customers through discounts and other enticements and more about approaching customers with personalized value propositions.

Take, for instance, customer care for security software. By 2030, it will be routine to proactively use data and analytics to address the customer's broader needs beyond subscription renewal. Instead of communicating with the customer just a couple of weeks before a security subscription expires, by which time the customer will probably already be in churn mode and require a discount enticement, an agent will get in touch a month or two earlier to offer better value — say, by pointing out that the customer's protection covers five devices but he's using it for only two. Brands that are already proactively engaging with this panoramic view of the customer have a distinct advantage over their competitors.



TREND 5

Nurture relationship agents

With an emphasis on looking at the overall customer, rather than just at her problem, contact centers of the future will be less about transacting and more about connecting.

Gone will be the days when customer queries are automatically routed to agents specializing in rebates or product exchanges, for example. Instead, agents will be paired with customers based on relationship compatibility over the customer's lifetime, as indicated by the customer's profile and journey map and by the agent's experience with certain customer personas.

With this information, companies can make the most appropriate matches and then adjust them as needed, after monitoring customer-agent interactions and then running them through speech-to-text recognition analytics to determine which pairings work best.

Some companies have already begun to take a more-holistic approach to customer care. One of them includes a leading specialty pet retailer that had been struggling with customer loyalty and agent morale. Confronted with these issues, the company revamped its customer care approach to look at the customer as



a lifetime relationship rather than as a one-off problem. For instance, if someone called about the functionality of a retractable leash bought for a new puppy, the agent learned the dog's breed, size and behavior. After answering the customer's initial questions, the agent then made follow-up queries and suggestions. These included asking whether the customer had a puppy-resilient dog bed, suggesting puppy training products, and offering to schedule obedience classes at the store nearest the customer.

With the information obtained during the call, the agent was then able to check in with the customer at key points throughout the dog's life cycle (e.g., vaccination updates), as well as make more frequent follow-ups, such as reminders about reordering flea medication. In just a year after the company adopted this approach:

- Customer satisfaction surged to 88%
- The number of agents who said they were highly satisfied doubled
- The customer conversion rate soared to 80% (one-third higher than the prior year)
- Incremental sales jumped 25%

It takes a blend of art and science for brands to achieve results like these. Beyond perfecting the relational art

of connecting with the whole customer at every point of their journey, agents also need to be highly trained in product/service offerings, sales conversion and upsell opportunities. That way they can deliver ever-greater worth to the customer while also increasing their lifetime value to the company. Ideally, they'll know how to take a dashboard full of omnichannel-fed information about the customer's purchase history, buying propensity, etc., coupled with AI-powered real-time recommendations, and then translate all of that into high-quality customer interactions. Combining adequate tech learning with sufficient soft-skills training will become paramount for relationship agents. Real-time language translation will also become paramount. Today, contact centers route customers to agents who speak their language rather than to agents best suited to cultivate and nurture a long-term relationship. As real-time translation improves, however, it won't matter which language the agent speaks. Already, natural language processing is advanced enough for instant translation in some chat interactions but not for live calls. It's getting there, though. Today, an interaction can be instantaneously translated into half a dozen languages with better than 60% accuracy while people are talking. By 2030, language barriers to relationship-focused customer care will have all but disappeared.





TREND 6

Gauge real CSAT in real time

Knowing full well that survey-based customer satisfaction scores provide a limited and polarized window on what customers truly think, customer care leaders will increasingly look to AI-powered sentiment analysis. While some of this is happening already, customer care still relies heavily on surveys conducted after a customer interaction is complete — with limited or lost opportunity to fully capitalize on satisfaction cues or alleviate dissatisfaction.

Another drawback to CSAT surveys is that the questions are usually too broad, failing to address customer-care shortcomings or a particular customer's pain points. For instance, in completing a survey, a customer might say she was highly unsatisfied with an agent's ability to resolve her problem. But this response gives the company no insight into whether the shortcoming lay with the agent or with the customer care tools meant to support the agent. Nor is the phrasing of the question likely to allow for an accurate answer in cases where one problem discussed with the agent might have been satisfactorily addressed while a second problem was not.

In the future, companies will discard post-interaction surveys and their opaque single scores altogether,

replacing them with AI-powered sentiment analytics that pick up and record a wide range of nuanced customer feelings during the call itself. This approach will also capture additional pain points that might not get recorded in the agent's notes.

By using AI to monitor, record and analyze every customer care interaction, agents will no longer need to rely on human memory and perception to divine all of a customer's issues. For instance, a customer might just say they're calling about faulty billing for a product, and so that is the problem the agent will focus on fixing. While the agent is pulling up the necessary billing history, however, the customer might also mention dissatisfaction with the product's delivery time, dismay over the non-eco-friendly packaging, and frustration with the assembly instructions, although expressing overall satisfaction with the product itself. Some of these additional points might be conveyed only incidentally, decreasing the likelihood that the agent will circle back to them during the interaction or flag the issues for follow-up. That is where AI can step into the breach, generating far more insights than agents or CSAT surveys can.



Ultimately, all of this will be happening in real time. Right now, however, just a few technology companies have the foundational capability to not only break down sentiment analytics in real time, but also convert the analysis into actionable insights while a live agent is still interacting with the customer. Instead of digesting

the few opt-in polarized CSAT survey responses with a should've/would've/could've perspective, companies will be able to turn the ship around while the customer is still on board. In short, CSAT surveys will become unnecessary, with agents receiving dynamic real-time scores throughout the call itself.



TREND 7 / **Pay for outcomes**

What's your hourly rate? Today, that's what most companies ask customer care providers, seeing them as vendors, not partners.

In the future, companies will adopt a performance-based payment model, treating contact-center providers as partners compensated for generating business outcomes rather than paid on a standard fee basis. They'll peg the cost of customer care to positive business results that far outlast a given interaction (e.g., contact deflection, revenue from incremental sales made during a call, proactive customer retention), rather than focus on traditional metrics (e.g., average handle time, first-call resolution).

While lower average handle time and higher first-call resolution rates do, of course, have a business benefit in that they reduce costs, companies are far less focused on cost cutting these days than on

revenue generation and customer lifetime value. Just 9% of companies rank cost as their top priority, versus 56% that prioritize growth.⁵ All of them, however, are taking a harder look at how cost cutting can both hinder and help growth. Instead of focusing on rate per hour, they're analyzing the net total cost of ownership for customer care, including diverted contacts, interactions morphing into sales transactions, reduced churn and higher customer lifetime value.

By 2030, companies will prefer partnering with customer care providers that can confidently enter into service agreements contingent on meeting these metrics.

⁵ <https://www.gartner.com/en/customer-service-support/insights/service-leaders-priorities>

Conclusion

Across the seven trends propelling customer care into the future, select companies have already progressed far along the maturity curve. However, most brands have a much greater distance to go.

The good news? Most of what this paper discusses is practical and feasible for companies right now. It's mainly a matter of fitting future-state customer care into their roadmap and then prioritizing each trend. This is something they should be motivated to do, since the ROI is enormous. So are the cost savings resulting from operational efficiencies achieved through AI-driven automation. With those savings, brands can fuel growth along the seven trend lines until eventually customer care is no longer a cost center but a profit center.

Maturity Curve



As your own company makes its way along the maturity curve, keep the following tips in mind:

- / **Do more with less:** AI-driven automation boosts the efficacy and efficiency of your contact agents, letting you increase customer satisfaction and sales opportunities without having to increase the size of your team.
- / **Reduce complexity:** In building/augmenting your omnichannel presence, be wary of fragmented efforts and unnecessary complexity. Consider putting a centralized, fully integrated, flexible and easily scalable platform on the cloud — one that you can swiftly modify at any time, at minimal cost and effort.
- / **Don't squander free customer intelligence:** Not analyzing customer care interactions is like leaving money on the table. Use analytics to mine your customer-agent conversations for all they're worth, which is a lot.
- / **Get personal:** Build relationships with customers by forging connections based on data-rich insights about them and routing calls according to agent compatibility.
- / **Get in touch:** Reach out to customers before they reach you. Proactive engagement is always better than reactive defense.
- / **Stay human:** Automation and sentiment analytics will get you only so far if your customer care representatives don't have sufficient morale and skills. Make sure your agents get the right training so that they can translate digital accelerators into high-value person-to-person interactions.

**Want to learn more? Let's talk.
We'd love to hear from you.**

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