Delivering Empathy at Scale in a Digital World

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What is Empathy?

Understanding another person's experience by imagining oneself in that other person's situation.

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What is Empathy?

1. Cognitive Empathy

Knowing how the customer feels and what they might be thinking. Sometimes called perspective-taking.

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What is Empathy?

1. Cognitive Empathy

2. Emotional Empathy

When you feel physically along with the other person, as though their emotions were contagious.

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What is Empathy?

1. Cognitive Empathy

2. Emotional Empathy

3. Compassionate Empathy

With this kind of empathy we not only understand a person's predicament and feel with them, but are spontaneously moved to help, if needed.

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Market as a whole is moving into an Age of Empathetic Experiences

84% of customers believe that experience is as important as product or service

92% of customers report that customer experience (CX) has a great influence on their future purchase decisions

Over **80%** of enterprises globally report that CX programs will be a priority investment over the next two years

Customers Have Made Empathetic Experiences Crucial

Loyal customer are **5X** more likely to purchase again

Customers tell **9** people about a positive experience, and **16** about a negative experience

Technology's Role In Experience

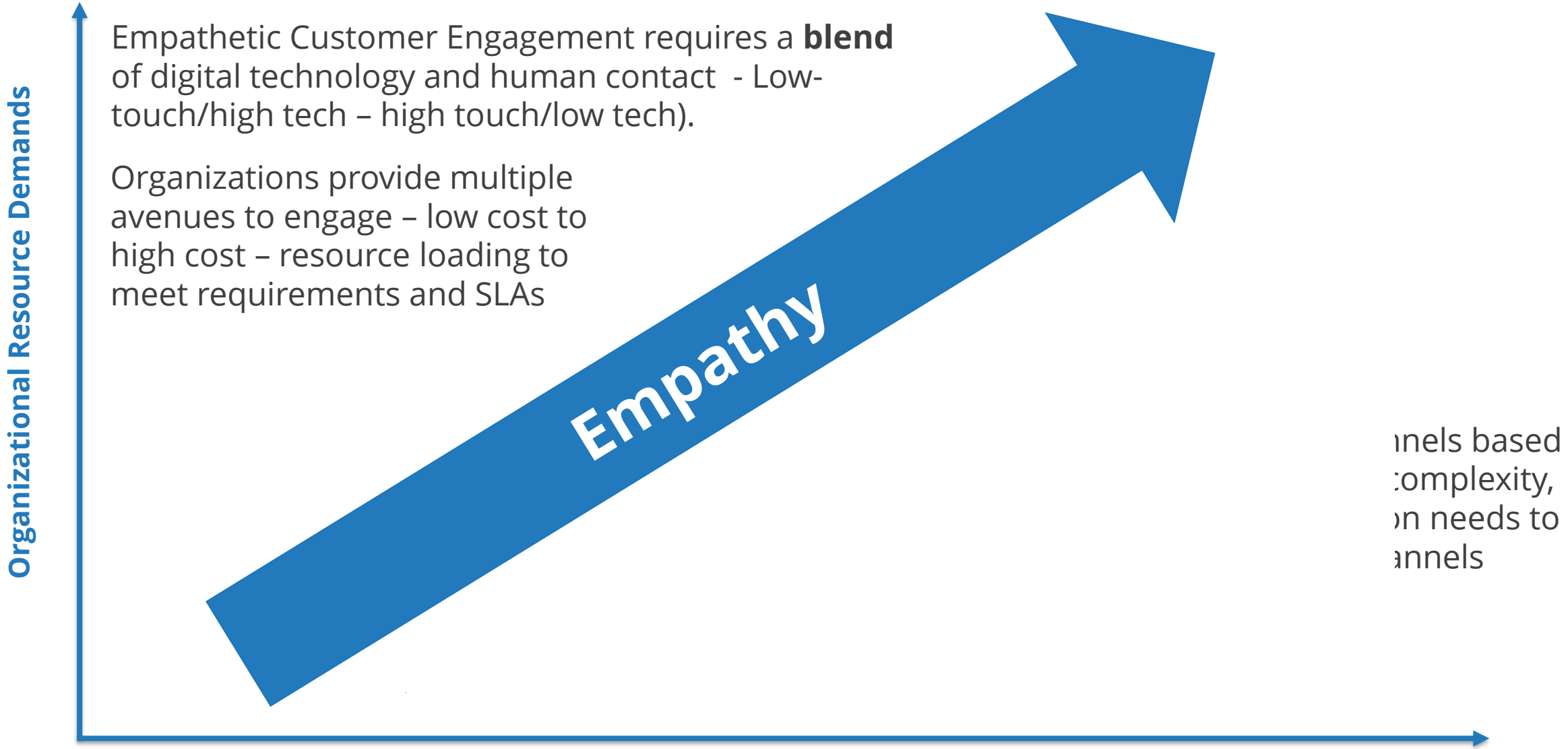
*By 2023, **65%** of consumers will be using voice, images and AR for interacting with brands with their mobile device, extending physical and digital experiences.*

*By 2025, **60%** of leading consumer brands and retailers will enhance customer engagements using emotion detection and management to influence purchasing.*

Empathetic Customer Engagement

Empathetic Customer Engagement requires a **blend** of digital technology and human contact - Low-touch/high tech – high touch/low tech).

Organizations provide multiple avenues to engage – low cost to high cost – resource loading to meet requirements and SLAs



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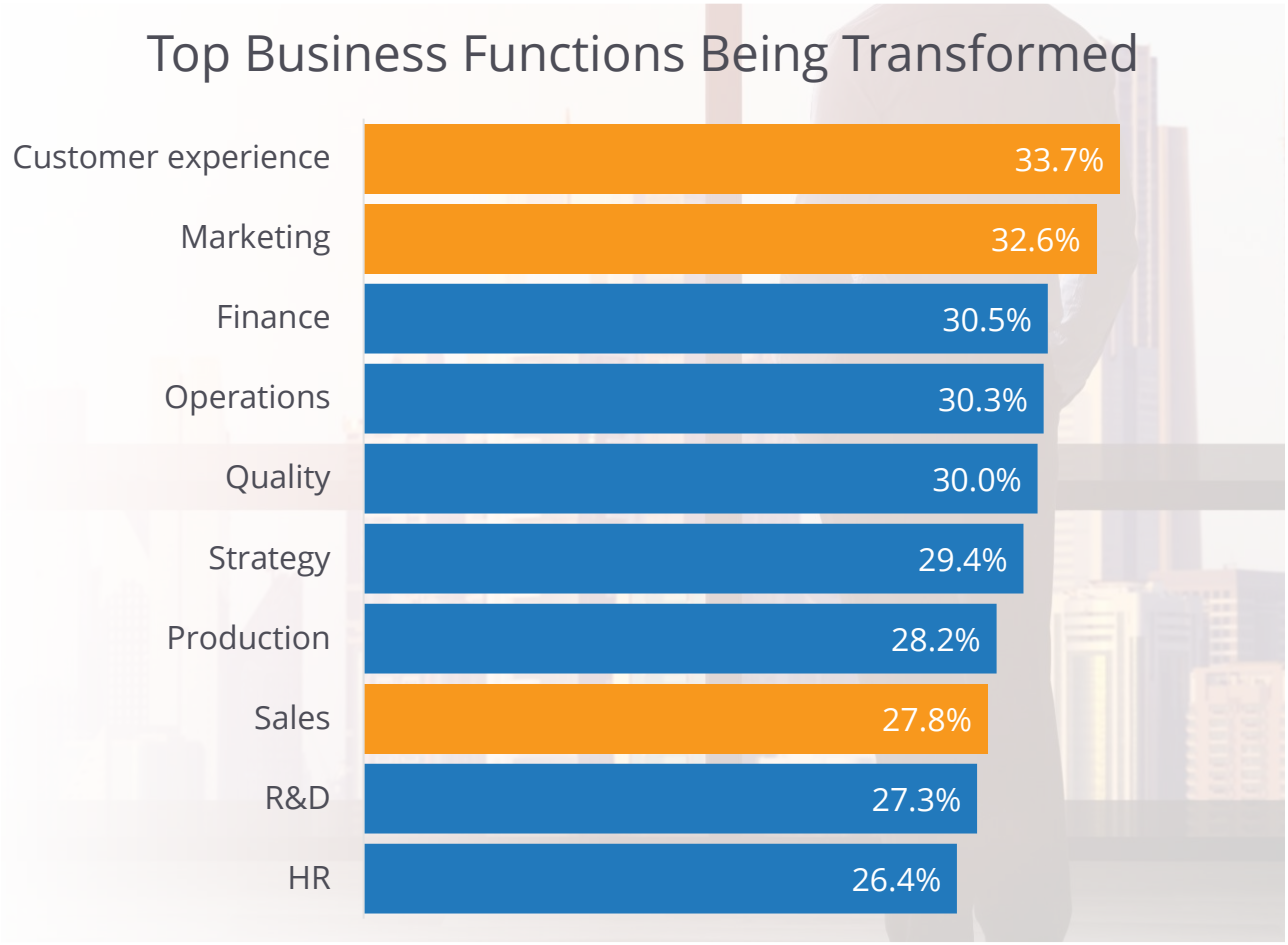
Companies are Competing on Experience

2021

$1.7 Trillion Technology to Digitally Transform the Enterprise



Source: Digital Transformation (DX) Executive Sentiment Survey 2019, IDC, August 2019. n=2165 Worldwide Digital Transformation Spending Guide

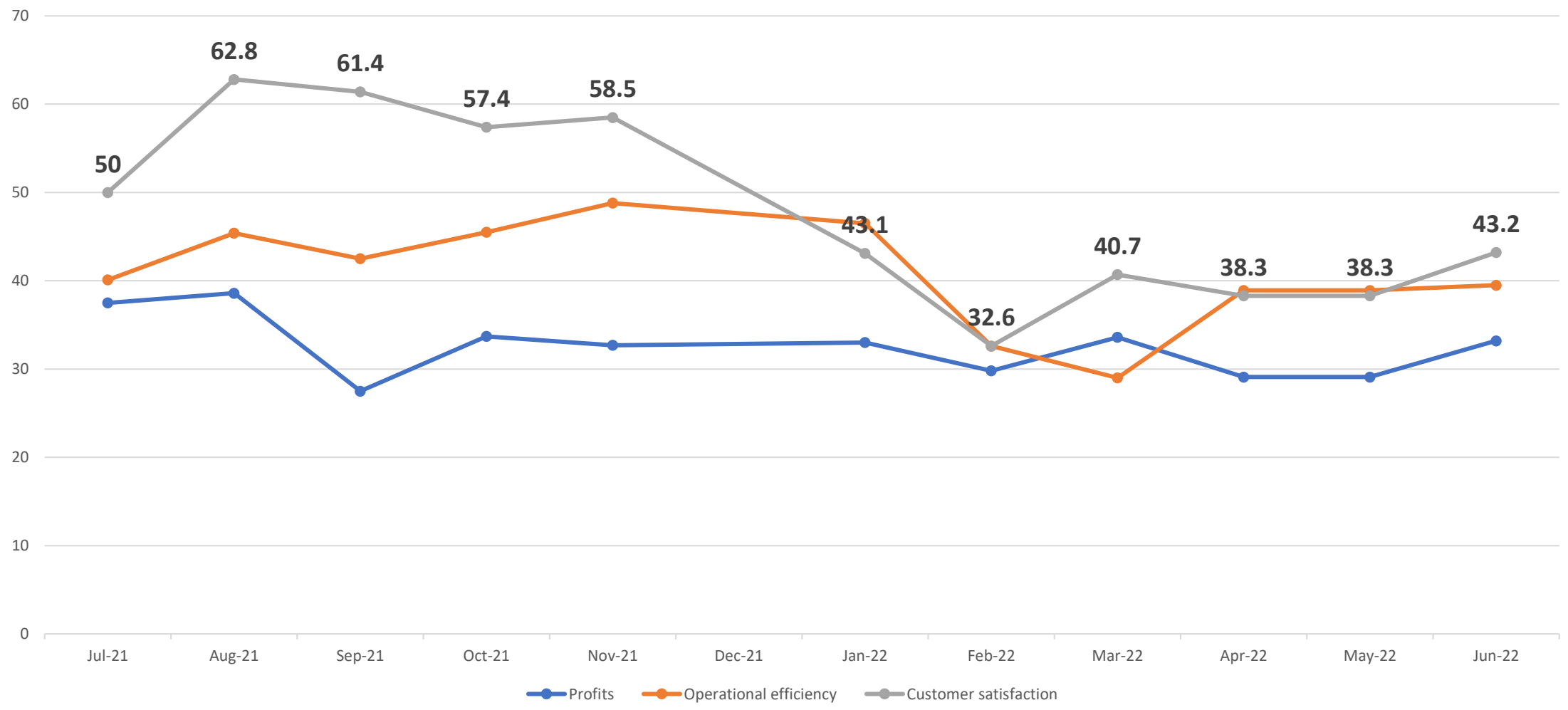
How do organizations view an empathetic customer experience?

Sam Walton on Customer Experience

"There is only one boss. **The customer**. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else."

Sam Walton

Customer Satisfaction Critical to C-Level Executives



Success in meeting CX goals remains challenging for most organizations

General average across all enterprises

39.4%

Extremely Successful

For organizations with a high-level CX strategy and where efforts are managed at the corporate level

40.1%

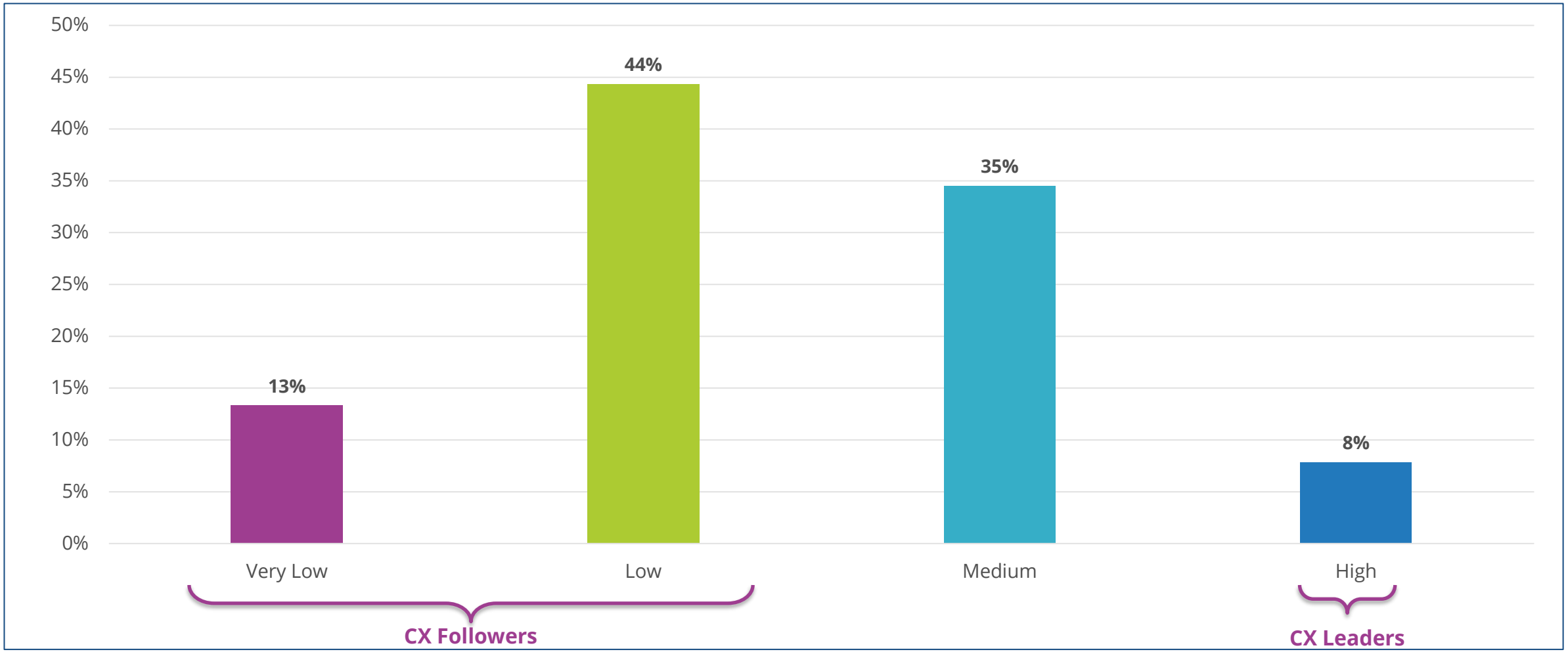
Extremely Successful

The fact that even within relatively mature organizations who manage CX strategically at the corporate level see similar levels of success as the general average, highlights that realizing value from whole journey experience transformations remains a challenge.

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Distribution of CX Leaders vs. CX Followers

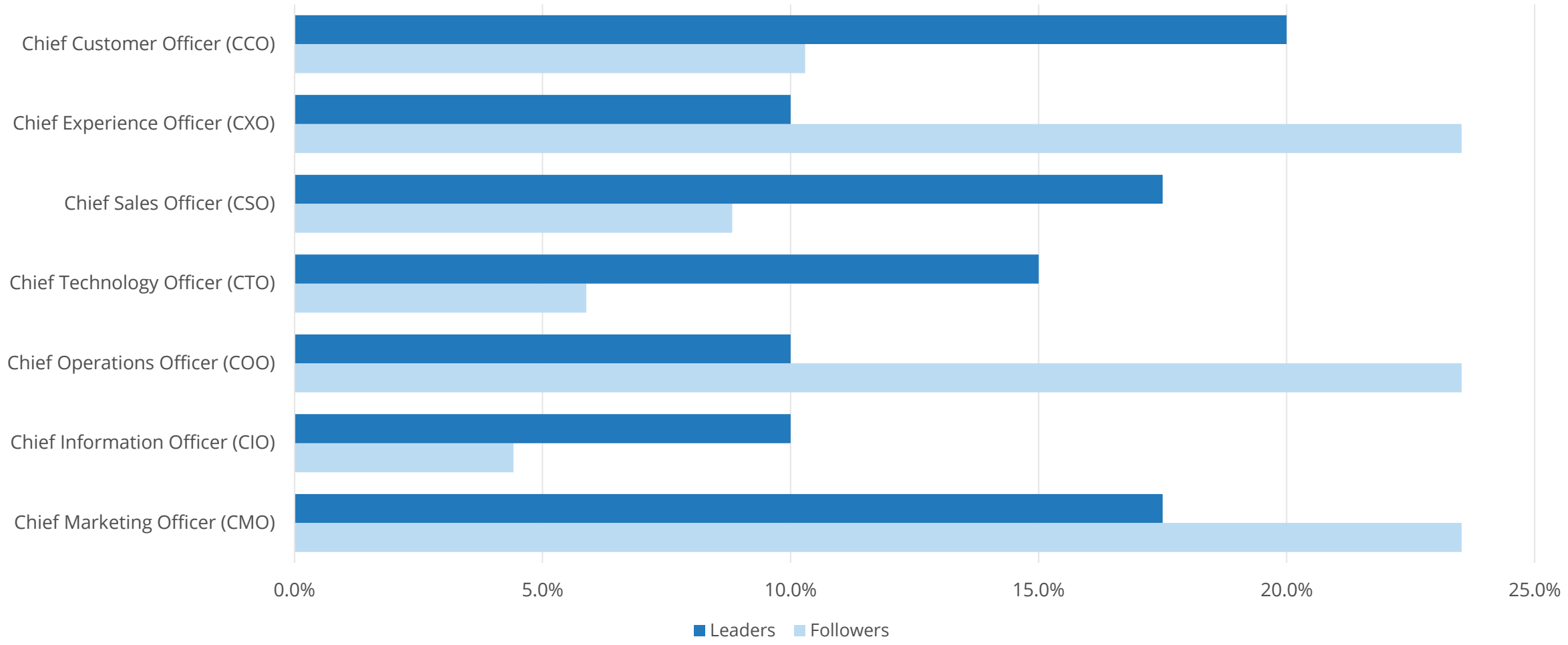
Most organizations are in the process of levelling up CX capabilities



Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

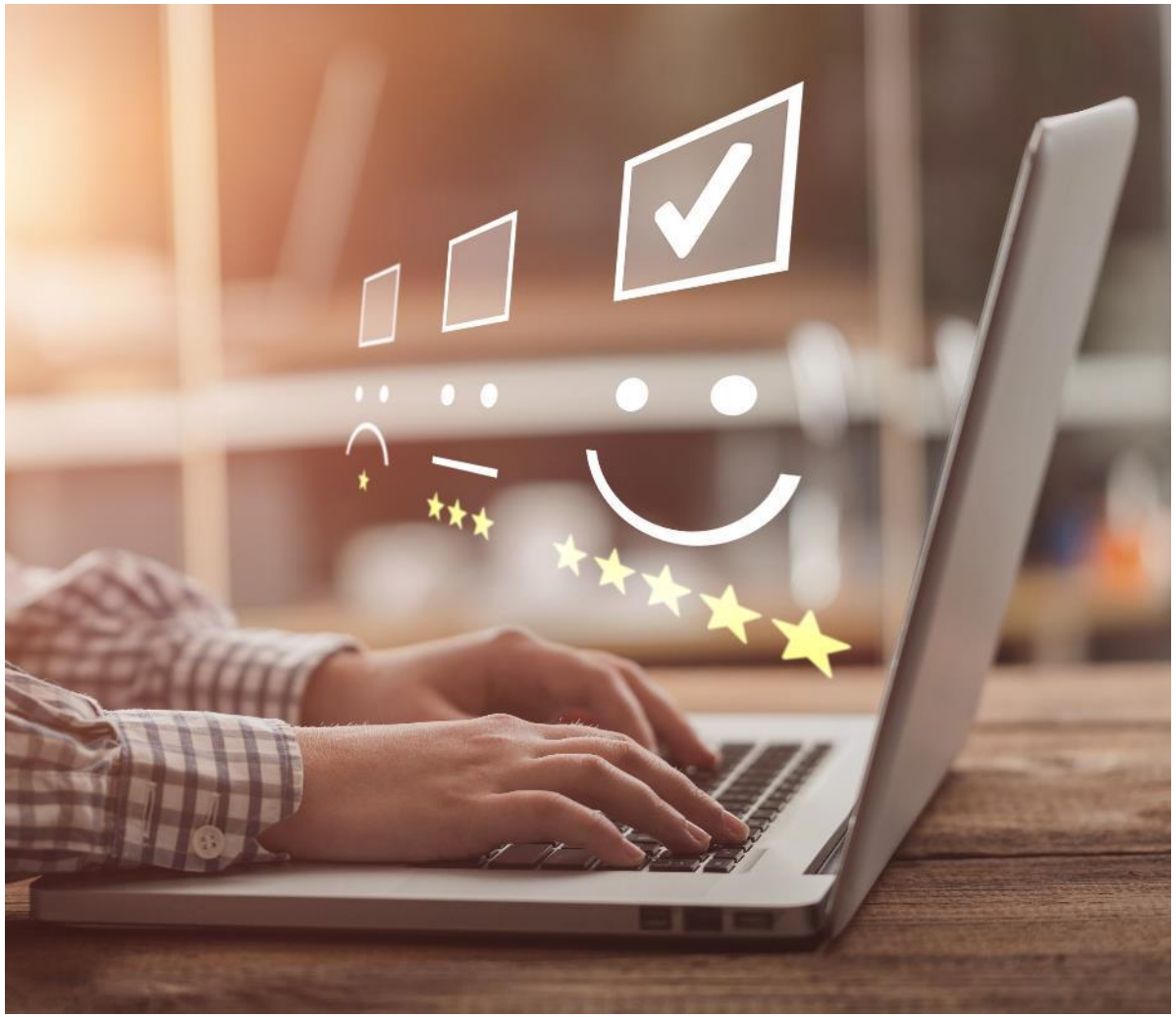
CX Leaders make customer experience a cross-enterprise, shared, C-level executive responsibility

Who is primarily responsible for enterprise-wide customer experience transformation efforts in your company?



Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Broadly, types of CX initiatives align with business goals, with most companies focused on CSAT and improving customer intelligence capabilities



Q. What types of customer experience improvement initiatives is your company working on?

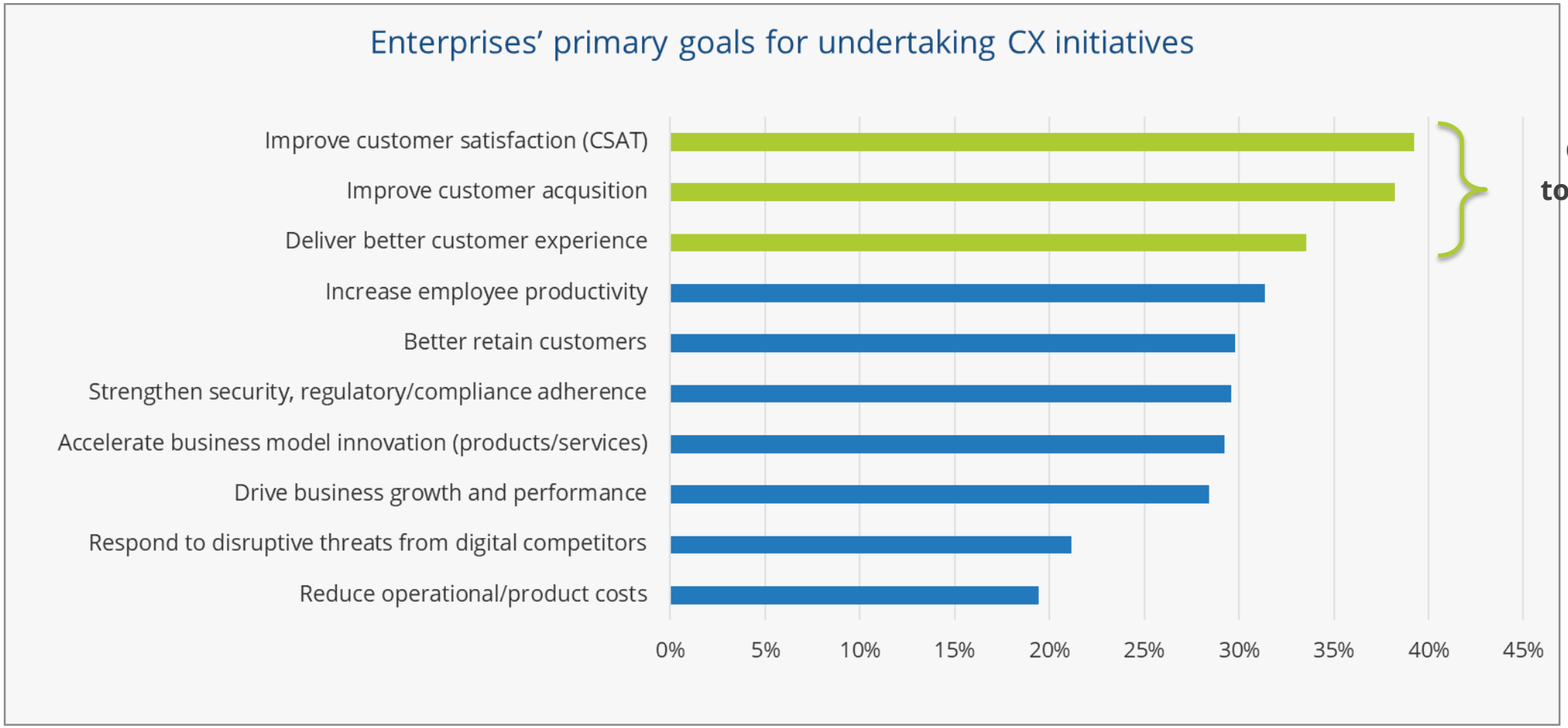
- **37.3%** Advertising and Marketing
- **45.1%** Sales and Renewals
- **58.4%** Implementation & Customer Support
- **63.5%** Customer satisfaction & trust
- **63.9%** Customer data & intelligence

When asked, which initiative is a priority, over a third of enterprises, (34%), picked CSAT related initiatives

% of Respondents

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

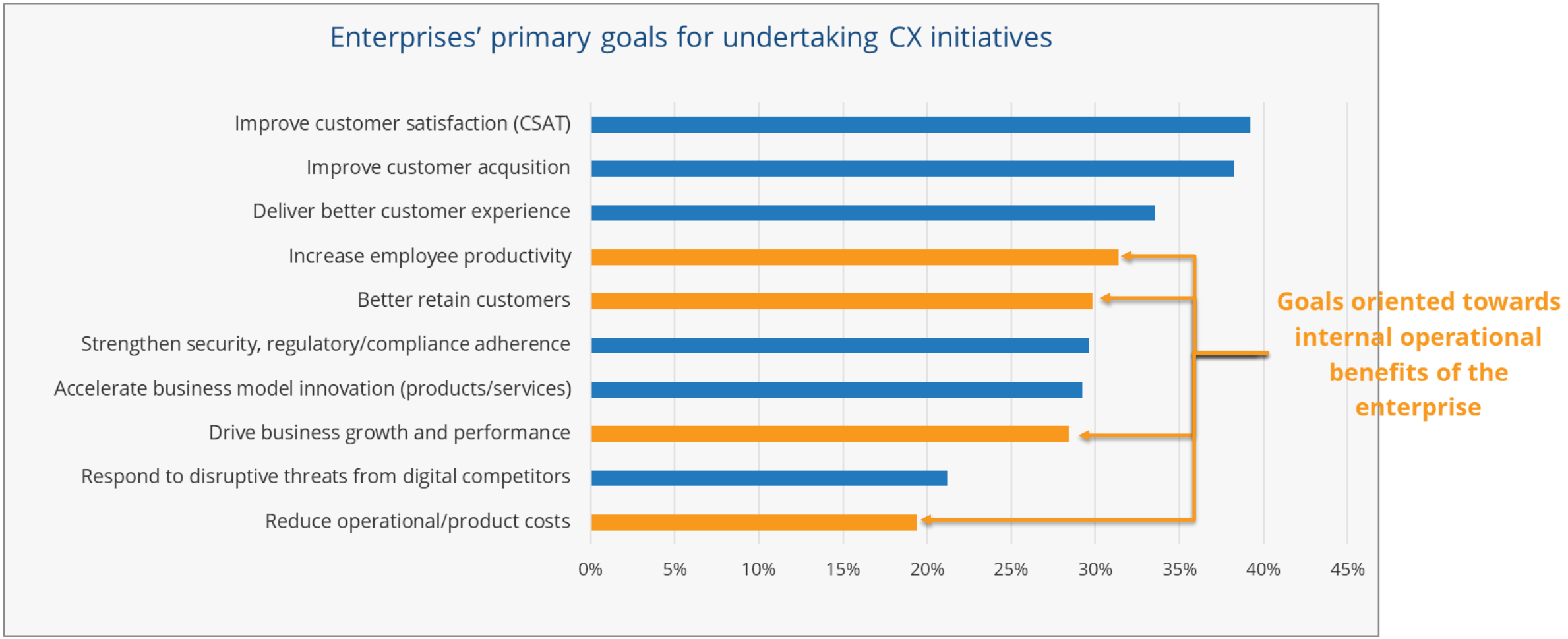
While the top reasons for CX initiatives are oriented toward benefitting the customer through better experiences and improving customer satisfaction…



Goals oriented towards customer benefits

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

…Organizations also see CX as a vehicle to improve internal operational efficiency

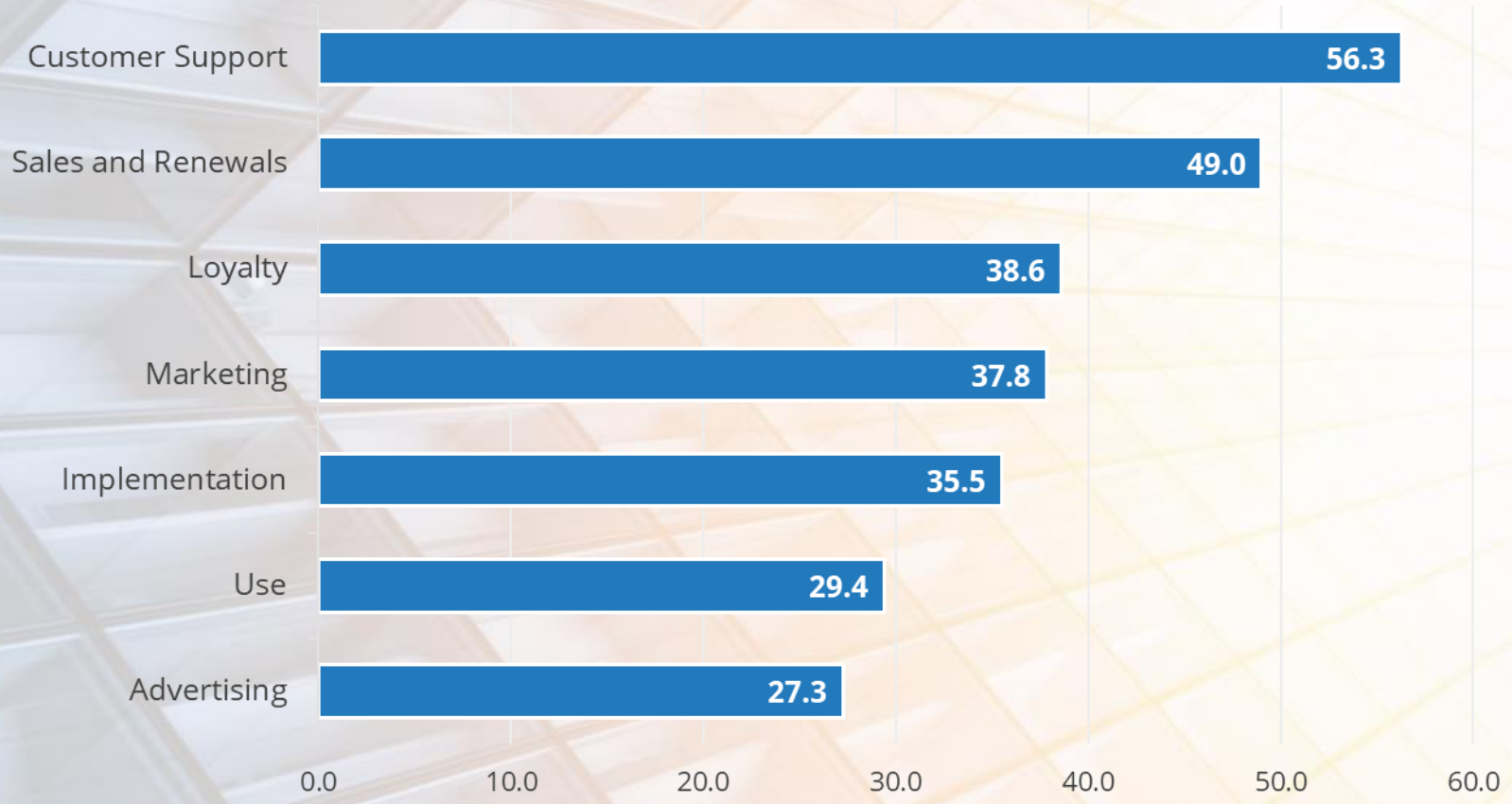


Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Customer data is the key to Empathy at Scale

Gathering experience data is being prioritized across more complex customer journeys

Q. During which part of the customer journey do you collect data on the customer experience?

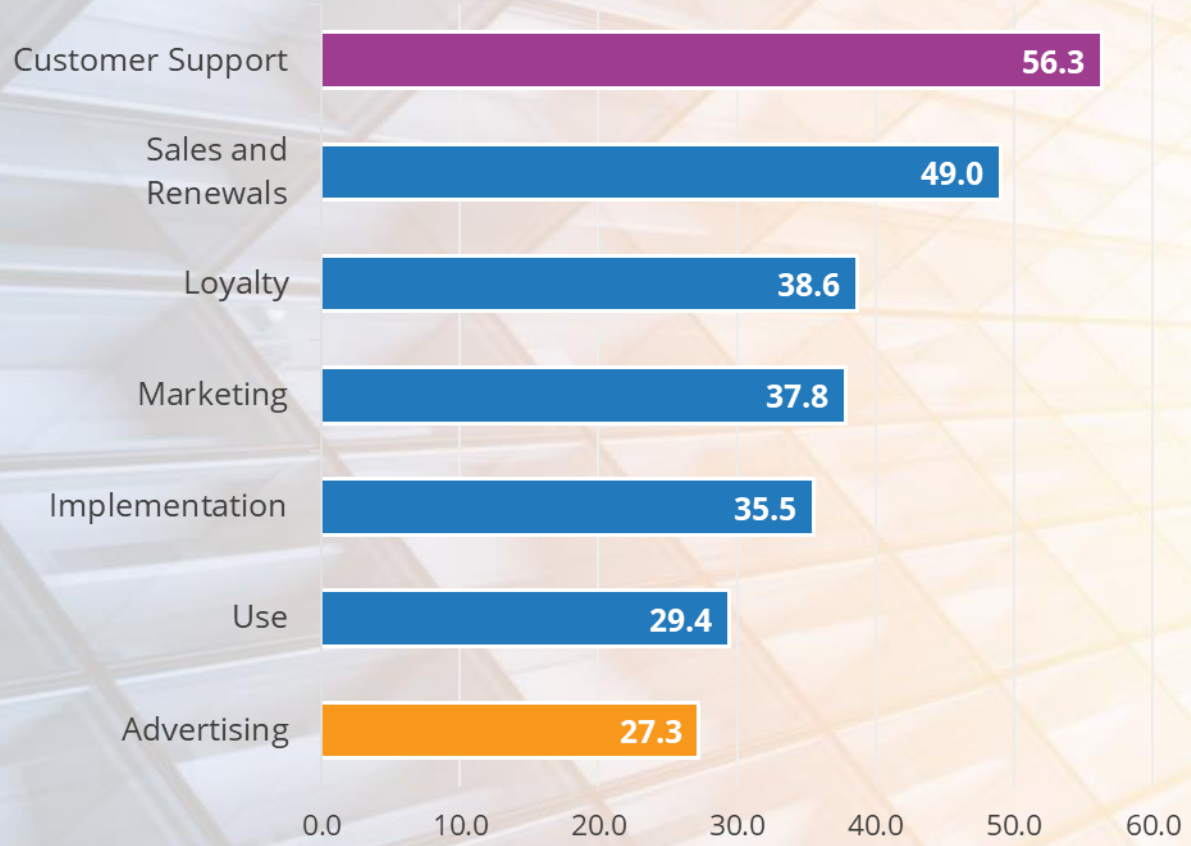


The good news is that most organizations are prioritizing data collection during journeys with key moments that are crucial in impacting customer sentiment – i.e., customer service, sales/ renewals, and loyalty

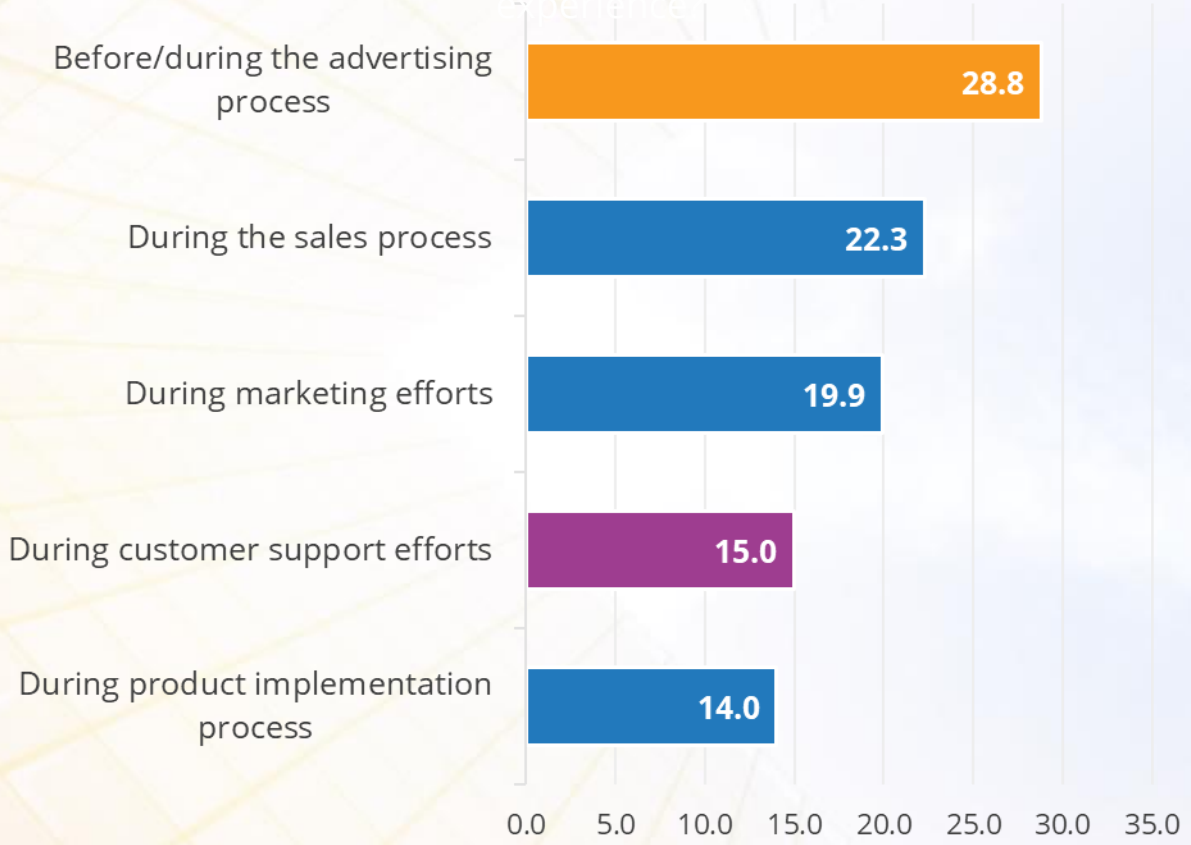
Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Enterprises, however, miss the mark in extracting value out of data gathered; a missed opportunity to tap deeper into the rich insights available from the various customer support journeys

Q. During which part of the customer journey do you collect data on the customer experience?



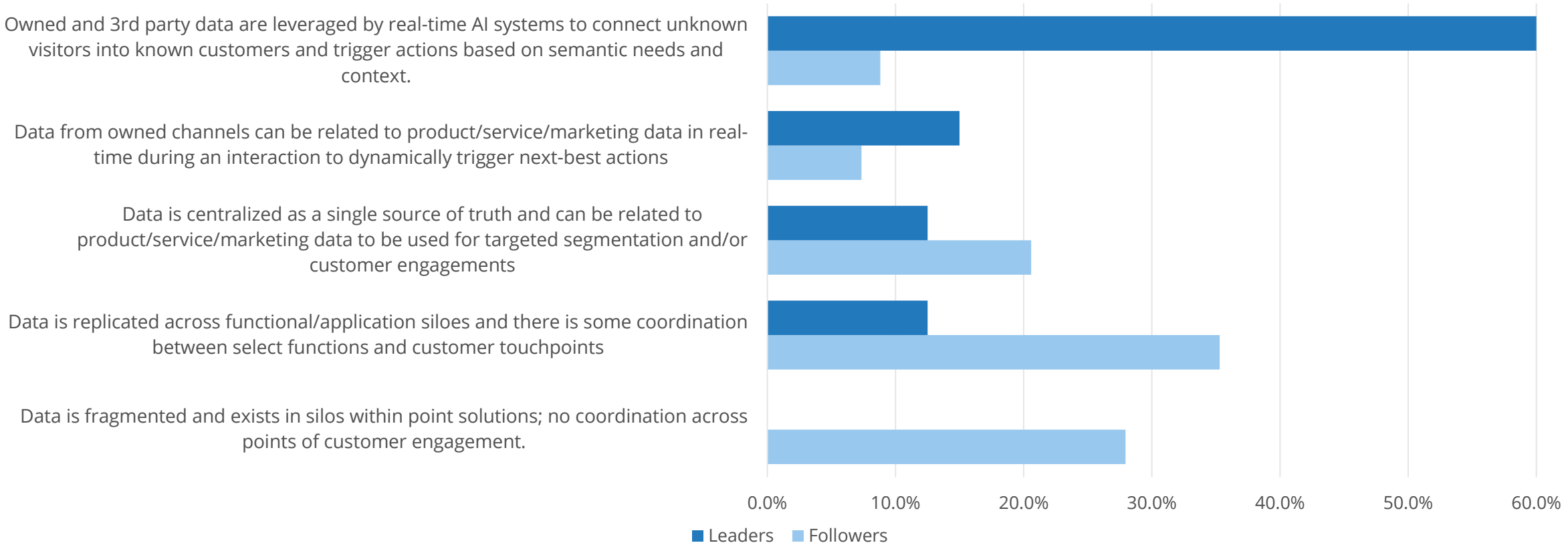
Q. Data collected during which part of the customer journey has the most value to you in understanding the overall customer experience



Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

CX Followers are more prone to have fragmented data across customer touchpoints and replicated data silos across business functions and applications

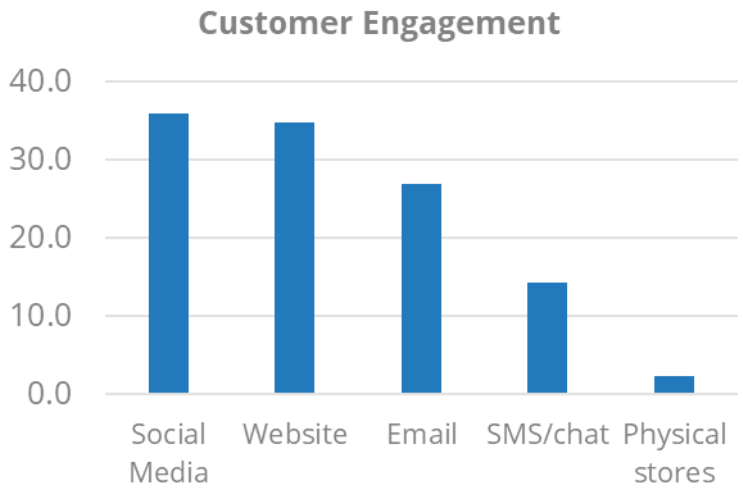
Which of the following best describes how your company uses customer data to drive customer engagement and journeys?

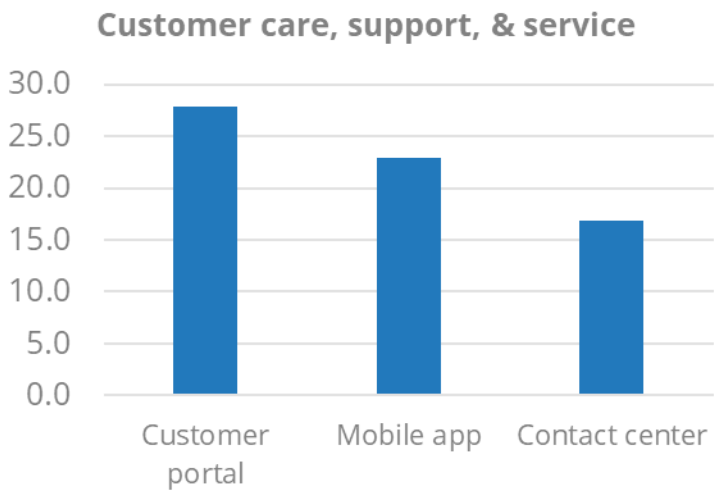


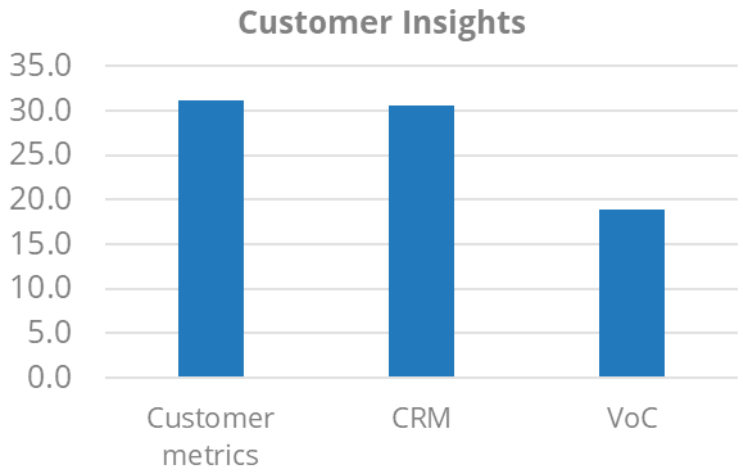
Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

The future of experience is digital-first and fueled by customer data and analytics

Q. Which of the following areas are priorities for your company's customer experience initiatives?







34.9%

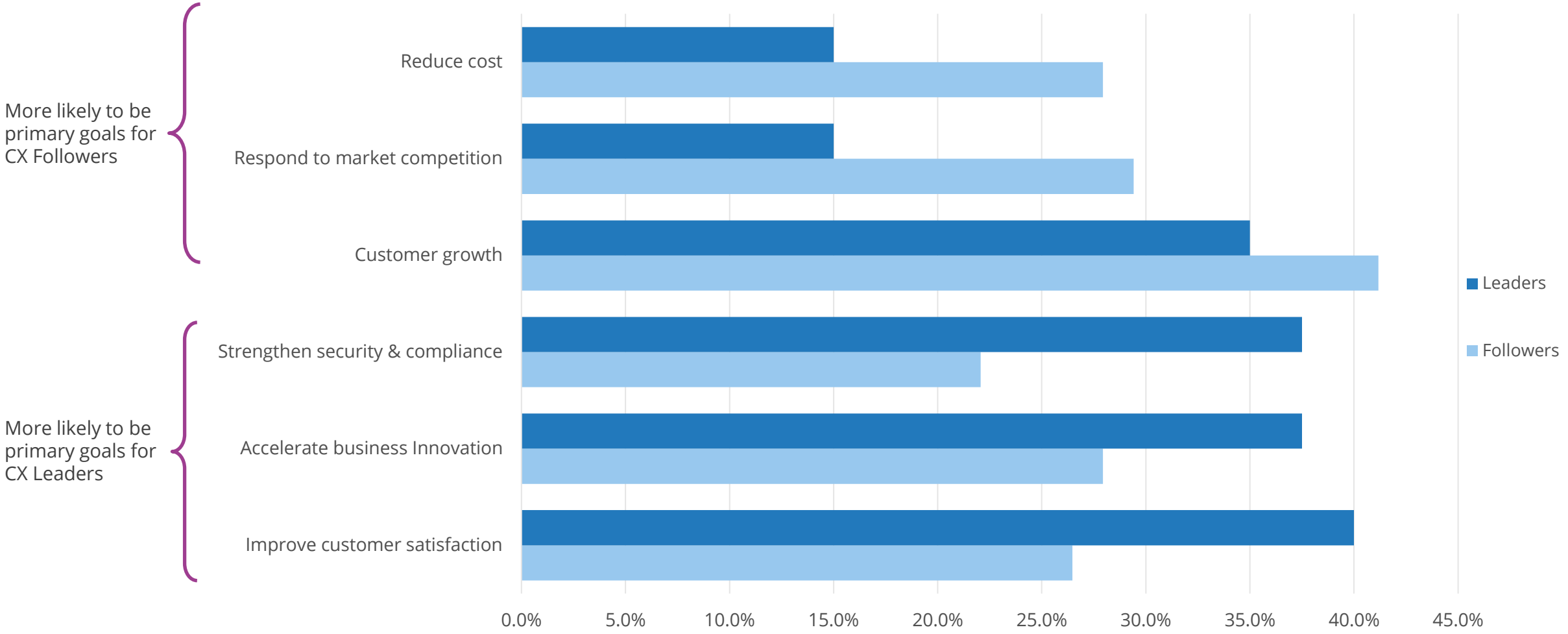
Data Analytics

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

What is the return on investment of an improved customer experience?

CX Followers are much more internally focused on cost and customer growth

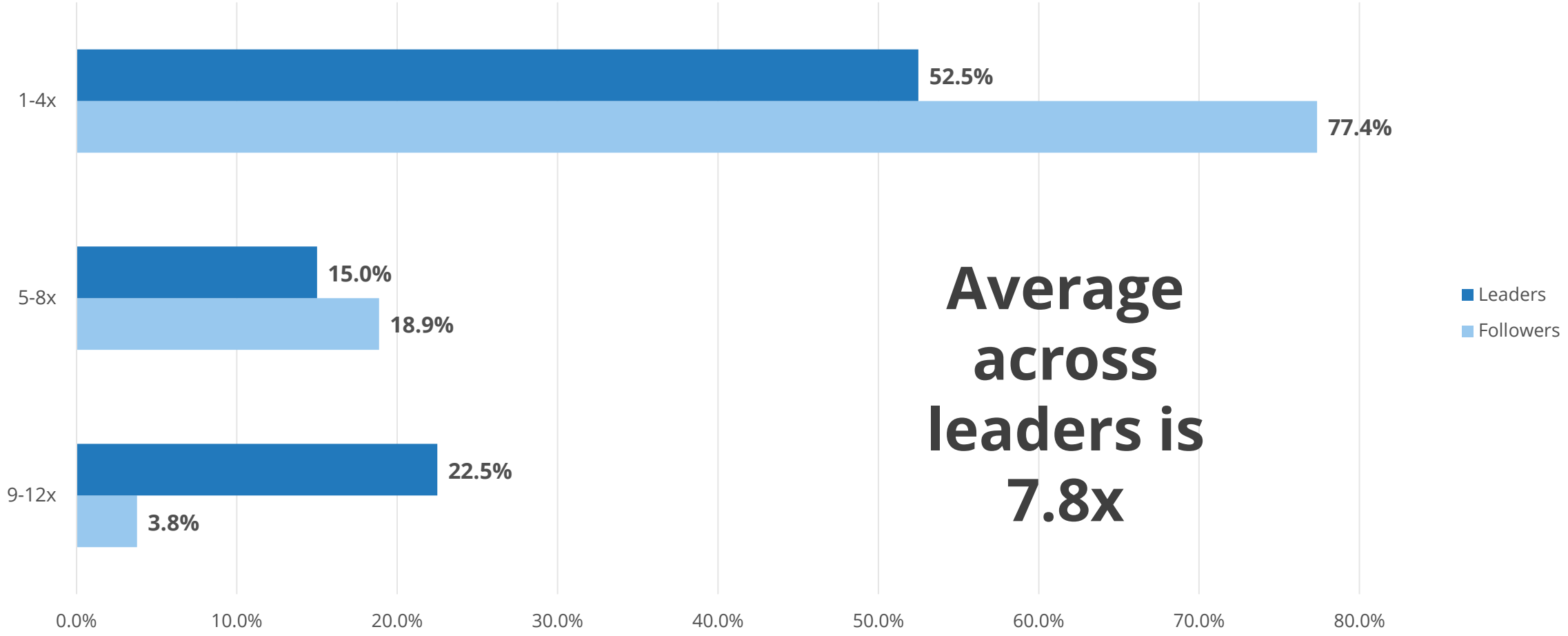
What are your organization's primary business goals in taking on customer experience transformation initiatives?



Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

CX leaders see a better payoff from external focus on customer experience

For every dollar you have invested in improving the customer experience, what has been the revenue return on that dollar?



Average across leaders is 7.8x

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Future of an Empathetic Customer Experience

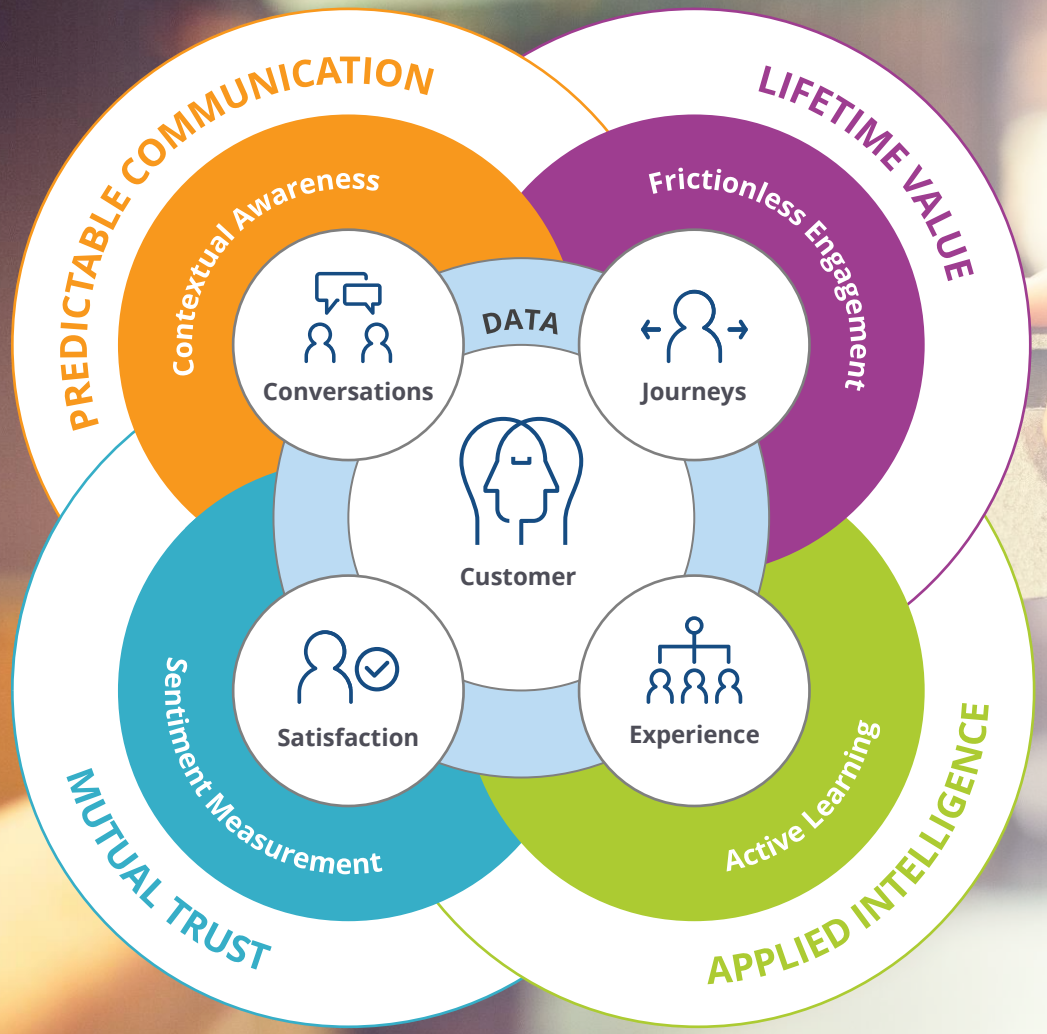
Enterprise level customer-centricity (driven by how companies are organized around CX and operational gaps to deliver a unified experience) is a critical hurdle impeding the full potential of Empathy at Scale

Q. What are your company's top 3 challenges in transforming and improving your customer experience?

30.4% Differing priorities across teams/departments	27.8% Siloed customer data	25.9% Proliferation of CX tools
25.3% Other near-term priorities	21.6% Infrastructure gap to support a digital enterprise	21.0% Skills and people resources to improve CX

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Future of Customer Experience Defined



Is an **empathetic relationship** between customers and brands

Built on **what the customer wants** and how they **want to be treated**

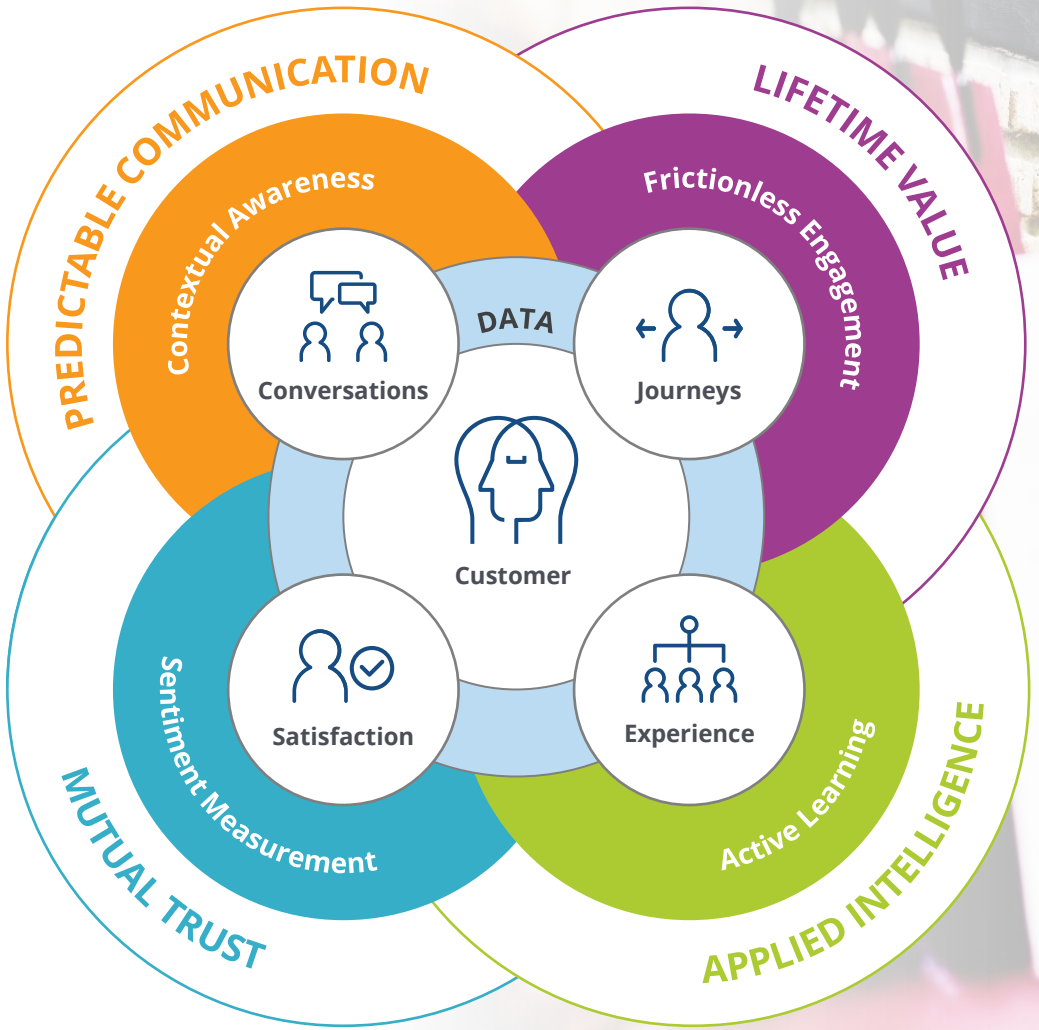
Through the **technology** lens of **awareness, engaging, learning** and, **measuring**

#EmpatheticEnterprise

Engaging the Customer

Through the Lens of Technology

That Drive Business Outcomes



Customer experience technology investment priorities

Contextual Awareness

% of Respondents that are planning to invest in each of the technologies (2021/2022+)

29.8%

Conversational Applications

Live chat, chatbots, IVAs, messaging apps, video, digital avatars

27.6%

Engagement Analytics

Web analytics, clickstream

24.7%

IoT, Sentiment Analytics, Customer Intelligence Analytics

22.2%

Mobile apps, progressive web apps

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Customer experience technology investment priorities

Frictionless Engagement

% of Respondents that are planning to invest in each of the technologies (2021/2022+)

31.4%

Omni-channel customer service and sales

Contact center solutions, customer service automation/RPA, intelligent self-service

28.0%

Omni-channel advertising & marketing

Marketing automation, social media management platforms

25.7%

Omni-channel commerce

Mobile, web, social, physical, Digital POS, Mobile Payments

23.7%

Journey orchestration applications, Journey analytics

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Customer experience technology investment priorities

Active Learning

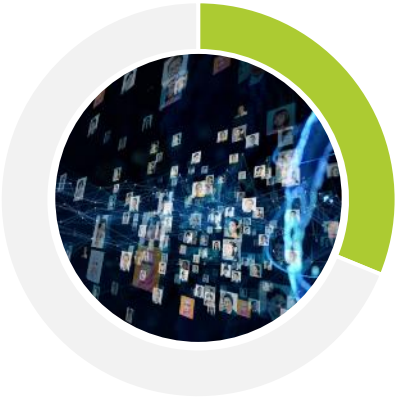
% of Respondents that are planning to invest in each of the technologies (2021/2022+)

34.5%

Customer Data Platforms

32.4%

AI-based workflow automation/augmentation



31.2%

AI-based real-time recommendation platforms, customer targeting solutions

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Customer experience technology investment priorities

Sentiment Measurement

% of Respondents that are planning to invest in each of the technologies (2021/2022+)

27.6%

Customer surveys & measurement solutions

VoC, customer feedback, CSAT, NPS

26.9%

Customer data privacy & consent management

23.9%

Sentiment detection & measurement

Tonal detection, emotion detection, sentiment analytics

22.5%

Social listening

Source: Future of Customers and Consumers Survey, IDC, September 2021, n = 510

Empathetic Customer Experience

Customer service

"Customer service shouldn't be a department; it should be the entire company."

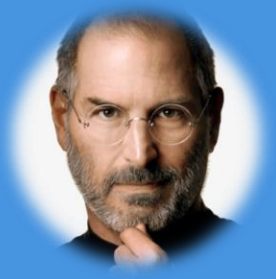
Tony Hsieh, CEO of Zappos

Feedback from customers

"Your most unhappy customers are your greatest source of learning."

Bill Gates

Empathetic Experience



Technology

"You've got to start with customer experience and work back toward the technology – not the other way around."

Steve Jobs

Integration

"Enduring companies are built on customer love. Great customer success teams work across the entire company providing customer feedback into product roadmap, supporting product usage, renewals, and so much more."

Aaron Levie, CEO box

Essential guidance

- Champion an organization wide customer centric culture and unify CX goals strategically across teams/departments
- Make customer data an enterprise service, not a departmental resource
- Seek strategic partnerships for specialized CX related talent competencies
- Integrate customer data and measurement programs more broadly to activate insights

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