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How Personalized, Proactive Customer Service Creates Next-generation Customer Experiences

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Customer Service Becomes Personal and Proactive

We are in a new era of customer service. Consumers are demanding experiences that anticipate their needs and provide simple, clear, consistent, and easily accessible solutions via any channel they choose. For business and IT leaders, this means investing in solutions that leverage all of their organization's data—with an unconditional commitment to using technology innovations in artificial intelligence (AI) and cloud computing to create experiences that are highly personal, increasingly proactive, fast, agile, and consistent across all platforms.

Research by TechTarget's Enterprise Strategy Group shows that top priorities for IT and business professionals involved with customer experience (CX) technology include:

- Applying AI and marketing intelligence to uncover customer insights and drive decisions.
- Delivering more personalized customer experiences and improving customer self-service capabilities.
- Improving/enhancing customer analytics to empower sales and marketing.
- Gaining better insights into first-party data to achieve a unified view of the customer.
- Integrating the customer data platform and unifying all data into a single customer record.

From the very first interaction a customer has with a company, they are engaging in CX. In many cases, the contact center creates the first impression. And it better be a good one because customers have more choices than ever. By evolving to a personalized, proactive, AI-driven CX model in the contact center—and beyond—organizations can achieve competitive differentiation and increase customer satisfaction. This not only improves brand image and reputation, but it also helps to improve customer retention rates, which is a major goal—and challenge[1]—for contact centers.

Customer Retention Is the Second Most Common Customer Data Management Challenge

Surprise! Not only is your contact center responsible for traditional KPIs such as hold times and time to answer, but it's also responsible for customer retention. Contact center leaders say customer retention is the second most common data management and platforms challenge they face pertaining to customer data, tied with ensuring customer data security and privacy.

Getting to that next level, however, requires connected, modern cloud solutions to obtain the right data and drive the right insights, to the right customers, at the right time, in the right channels. The first step is for IT and business leaders to recognize the business case for personal and proactive service and to embrace a modern CX mindset, particularly in an uncertain economy and a highly competitive, digitally transformed world. The reality, however, is that the business case is not very complicated. It's a matter of survival. Organizations that fail to move to a personal and proactive CX model will lose competitive advantage to more agile and responsive competitors.

The challenge, however, is how to evolve from a reactive CX model to a proactive CX model and embrace modern technologies in the contact center to become an organization that delivers data-driven, omnichannel empowerment to both customers and employees. Key capabilities necessary to achieving these goals include self-service, automation, artificial intelligence, data analytics, highly personalized experiences, agile human interaction and collaboration, and, of course, security.

This white paper explores the challenges facing IT and business leaders in delivering a modern proactive CX and provides direction on how organizations can overcome the barriers to achieving their most business-critical

[1] Source: Enterprise Strategy Group Research Report, *Customer Experience Strategies and Technology Frameworks*, June 2023. All research references and charts in this white paper are from this research report unless otherwise noted.

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customer service goals. We also explore the value of leveraging a next-generation contact center as a platform for modernizing customer service to meet the needs and challenges of today's digitally driven business environment.

Barriers to Proactive Service and Personalization

Providing a better and more differentiated customer experience (CX) continues to be a top priority for organizations in 2023.[2] Even with current economic uncertainty, businesses are doubling down on CX and systems that can deliver real-time customer insights and intelligence (see Figure 1).[3] The question for IT and business leaders is not whether to improve customer service but how to do so in the most effective, innovative, and cost-efficient manner—with a clear eye on what customers are seeking now and are likely to expect in the future.

Figure 1. Top Five Technology Spending Drivers

Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Despite the importance of customer service, most respondents to a 2023 Enterprise Strategy Group (ESG) survey focused on CX strategies said their organizations are at the early to basic stages of CX strategy and development. Customer service, customer success, and contact center platforms are among the most widely used CX applications and services. In terms of areas for improvement, the majority of respondents (56%) identified their organization's web presence as a target for CX enhancement, followed by channels such as call center, email, chat, and text.

This is a critical time for these organizations to improve their CX approach and move toward a more proactive and personalized model that embraces self-service, automation, AI, and enhanced cybersecurity. Almost three-quarters of organizations (71%) indicated that they expect to increase their spending in CX in 2023, with 57% indicating they plan to increase investments in customer service and customer support systems and 52% planning to increase spending in customer self-service tools. Measuring customer sentiment is also a priority, as respondents said customer analytics and feedback management will receive increased funding in many organizations (see Figure 2).

[2] Source: Enterprise Strategy Group Research Report, *2023 Technology Spending Intentions Survey*, November 2022.
[3] Ibid.

Figure 2. Budget Change in Specific CX-related Technology Segment

Source: Enterprise Strategy Group, a division of TechTarget, Inc.

In order to maximize their CX investments, however, organizations must address important technology issues that are roadblocks to proactive service and personalization if left unattended. In fact, technology adoption and usage was the barrier to improving CX most commonly reported by organizations, according to the ESG research survey, cited by 23% of respondents. Among the specific technology adoption challenges identified by decision-makers were:

- Security concerns, 22%.
- Skills gap (lack of available skills/talent/expertise), 20%.
- Lack of available budget, 19%.
- Lagging technology infrastructure, 18%.
- Lack of cohesive CX strategy, 18%.
- Insufficient data insights/need for better analytics and reporting, 18%.

In terms of delivering a highly personalized, proactive customer experience, there are several specific technology challenges most organizations must overcome. These are:

- **Cloud Migrations:** In far too many cases, traditional contact centers are limited to one on-premises location. This means that data is siloed, limiting the organization's ability to use all of its data to deliver the comprehensive, current analytics necessary for highly personalized and timely customer experiences. With on-premises contact centers, it is also difficult to integrate new technologies and to embrace the kind of agility necessary to compete in today's environment.

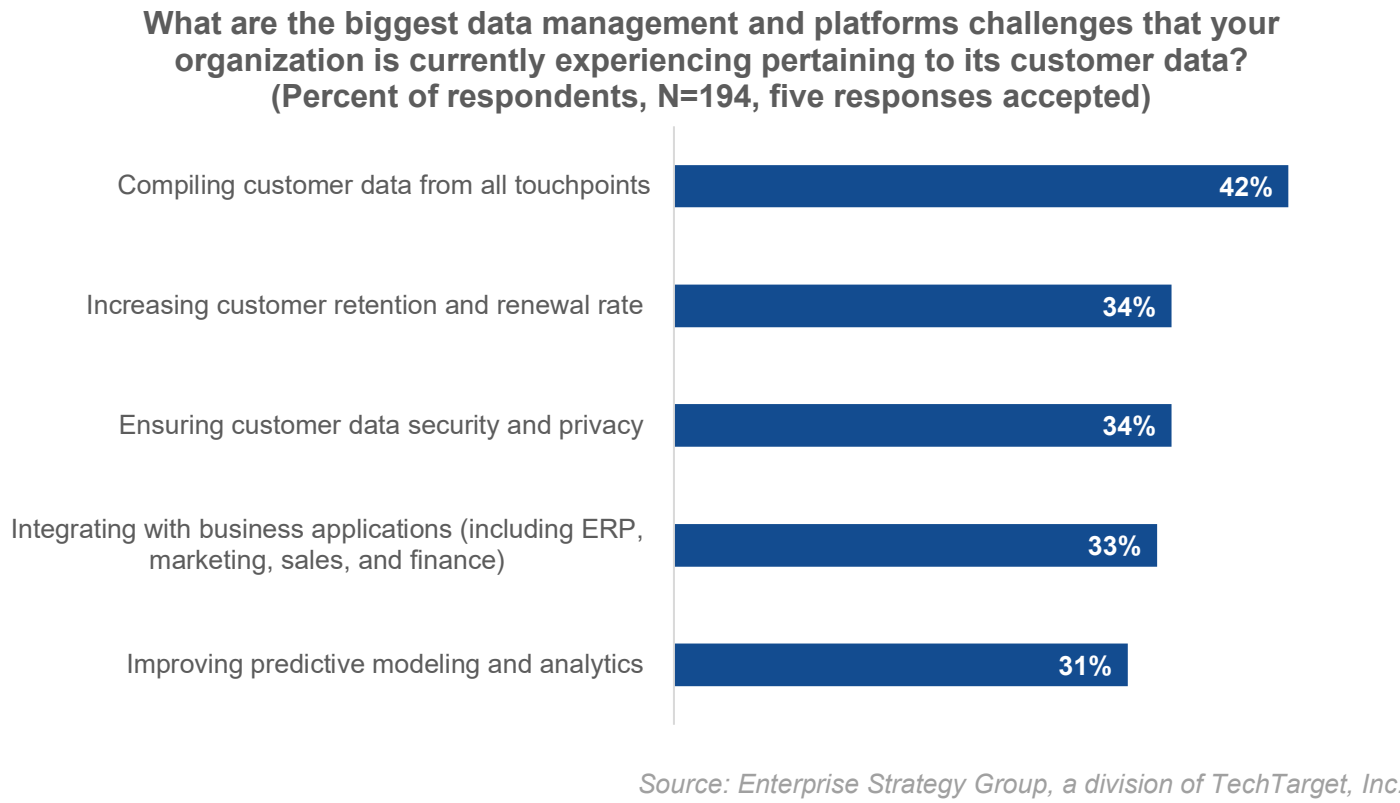
- **Lack of Omnichannel Support:** ESG research shows that CX leaders want to improve customer interaction on digital channels. The majority of customer service organizations reported that their website and chatbot interactions need improvement, as organizations realize that the first impression they make on customers often is a landing page from a browser search, and chatbots are the greeters. Texting, social media, and email, where it's crucial for automations and AI tools to solve low-level problems, but also to elevate more complicated customer issues to a human seamlessly and at the right time, are also high-priority digital channels.

Cornerstone Channels: Where Organizations Need to Improve Their Interaction with Customers

1. Website (including chat)
2. Email
3. Inbound call center
4. In-person experience
5. Texting and SMS
6. Social media
7. Videoconferencing

- **Data Challenges:** The contact center is the nexus of customer sentiment and feedback data, service activity data, and data from other touchpoints. But it's not enough to collect data—all data must be shared across applications to drive real-time insights and actions to improve CX. Contact centers struggle with collecting all the data they need to maintain a consistent experience across all channels and also secure it (see Figure 3). Until an organization can solve these data challenges and unify a customer's data into a single profile that is updated in real time, customer service cannot be delivered in real time or personalized.

Figure 3. Top Five Challenges Related to Customer Data Management



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

In addition to the challenges of cloud migrations, omnichannel support, and data—data that is consistent, current, comprehensive, and collaborative—respondents to the ESG research also cited the complexity of CX technology stacks as a roadblock to modernizing their customer service portfolio to be more personalized and proactive. One in five organizations indicated that they have more than 10 applications that directly influence the experiences of their customers.

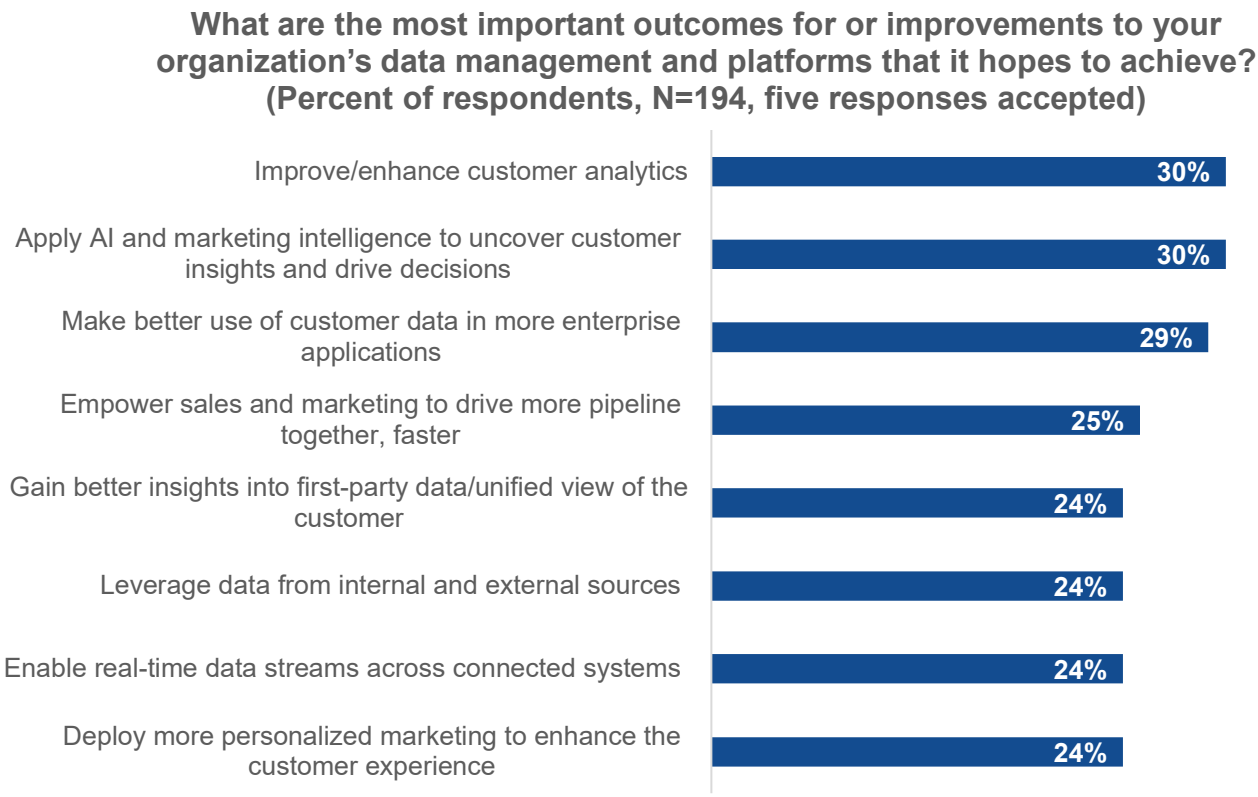
Since data is foundational to the creation of digital customer experiences, it follows that information/data management tops the list of the most important facets of CX strategy, followed closely by security. This reflects the need to keep customer data both safe and compliant. Another key issue is improving CX technology adoption and usage, indicating that after all the systems are integrated and set in motion, employees and customers need both awareness and training on how to use and access them.

The Requirements for Next-generation Contact Centers

If most organizations are still at the early or basic stages of their CX strategies, how do they modernize their approach? How does CX modernization impact their contact centers, and, looking ahead, what are the key requirements for a next-generation contact center that address the challenges of cloud migrations, omnichannel support, comprehensive data, and security?

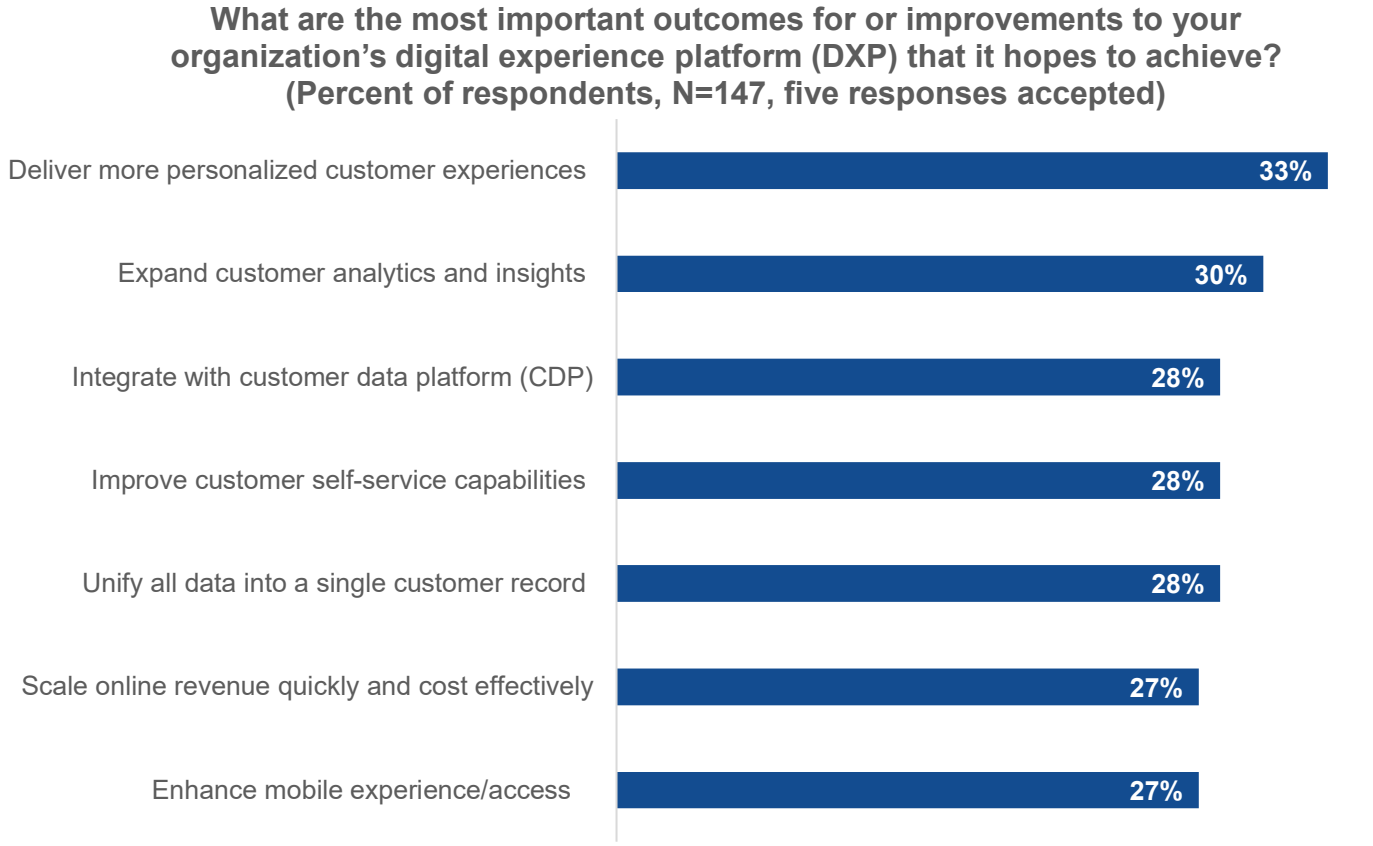
As with any IT modernization effort, it is important to set clear goals. Figure 4 looks at the most important outcomes and goals for improvements to data management and platforms; Figure 5 looks at the most important outcomes and goals for improvement in the overall digital experience platform.

Figure 4. Top Eight Most Desired Outcomes for or Improvements to Customer Data Management



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Figure 5. Top Seven Most Desired Outcomes for or Improvements to Digital Experience Platforms



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Turning a traditional customer service team into a proactive operation that can perform real-time personalization requires the use of contact centers as a service (CCaaS) as a foundation. In conjunction with CCaaS, the solution must leverage AI and machine learning, automation, data analytics, and advanced collaboration tools. When used as part of an overarching CX data strategy, these technologies can work in harmony to enable proactive customer service that is personalized to the individual customer. Most companies, despite the current economic headwinds, plan to expand technology investment to modernize their customer experiences to achieve their desired contact center outcomes and improvements, as outlined in Figure 6.

CCaaS

In order to support agents working remotely, virtual contact center technologies can bring together agents and route customers to the right agents. CCaaS is part of a new strategy to turn contact centers from a cost center to a revenue center. CCaaS platforms do this through digital channel support, meeting customers where they are on the channels they choose. These cloud platforms enable agent training, call monitoring, coaching, and workforce

CCaaS's Revenue Impact

A majority of contact centers that use CCaaS platforms consider the contact center a source of revenue, while a majority of those who aren't currently using a CCaaS platform consider it a cost center.[4]

[4] Source: Enterprise Strategy Group Complete Survey Results, *UCaaS Platform Requirements of Hyperconnected Enterprises*, March 2023.

management processes for a hybrid or completely remote stable of contact center agents. CCaaS is also foundational in moving to next-generation technologies such as AI and self-service.

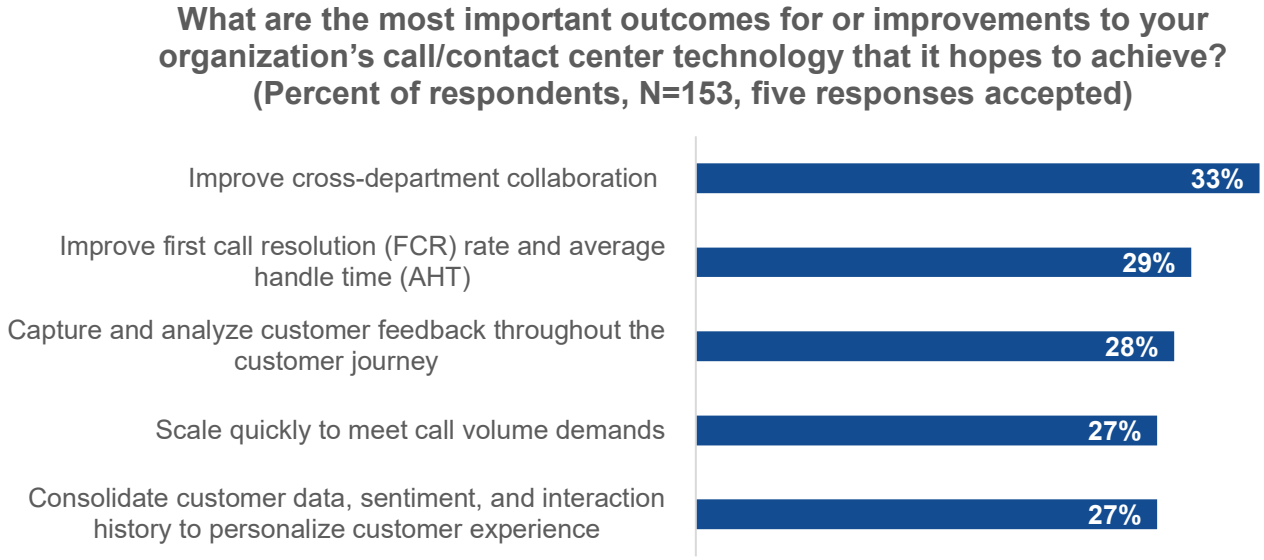
Data Platforms and Strategy

The goal of data platforms is to get data across CX applications out of silos and into open systems accessible to service teams, analytics tools, and communications platforms. Personalization engines and customer journey tools need this data to deliver effective results to turn contact centers from cost centers into revenue centers. The platforms' analytics tools pull in customer data, sentiment analysis, and contact center performance data to make sure customer needs are being met and a consistent experience is delivered across channels.

Collaboration

According to Enterprise Strategy Group research, improving cross-department collaboration was the most commonly cited contact center improvement that organizations hoped to achieve (see Figure 6). Next-generation contact centers need collaboration integrations. Agents need access to experts outside the contact center who can solve difficult customer issues with just a few chats or an email. Such collaboration tools can improve first-call resolution and improve time to answer when internal experts can quickly be brought in to solve even complex customer issues.

Figure 6. Top Five Outcomes for or Improvements to Call/Contact Center Technology



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Customer Journey Mapping

A customer journey map is a visual representation of the course customers take from awareness to the decision to make a purchase or, just as important, to not make a purchase. Per TechTarget, journey maps must be rooted in data-driven research and visually represent the different phases customers experience based on a variety of dimensions, including customer sentiment, business goals, and touchpoints. To be comprehensive, organizations need a 360-degree view of how customers engage with the company. The main benefits of building a customer journey map are to:

- Extract insightful information.

- Predict consumer behavior.
- Detect gaps and loopholes.
- Show customer progress through the sales channel.
- Better understand the customer's experience.
- Increase customer loyalty.
- Boost revenue.
- Provide benchmarks and comparisons.[5]

To achieve these goals, business and IT leaders should be looking at suppliers that empower CCaaS, cloud migrations, elimination of data silos, personalization tools, advanced analytics, collaboration tools, high levels of automation, AI, chatbots, self-service, and advanced cybersecurity and compliance capabilities.

When it comes to delivering a modern personalized and proactive customer experience, Verizon offers a suite of secure customer engagement and CX solutions that competitors are hard-pressed to match, including CCaaS, voice security solutions, CX consulting services, and much more. Verizon cloud contact center and CX solutions integrate all customer touch points and incorporate innovations like AI, machine learning, self-service, automation, and data analytics to create a seamless connection that empowers both customers and employees. Verizon CX consulting services help with customer journey mapping, building the CX strategy, and more.

Conclusion

For customer support, customer experience, and customer success operations, proactive service means partnering with customers to drive the best possible experience and letting them contact the organization on their preferred channels. The desired results may vary from one organization to another—some combination of repeat orders, retention, product or service upgrades, subscription renewals, and wallet share represent positive outcomes of this service strategy.

All organizations that adopt a proactive service strategy have several things in common:

- Their contact center technologies live on the cloud.
- Their tech supports data handling for real-time personalization.
- Their solutions leverage AI, automation, and other modern technology innovations.
- They can support omnichannel routing of customer communications to the agents with appropriate skill sets.
- They leverage customer journey mapping to develop a deep, data-based understanding of what customers want, how they interact with the brand, what channels they use, and much more.

CCaaS applications and web services form the foundation of proactive customer service and deliver an agile tech backbone that enables agents to thrive wherever they work. Contact centers that have technologies that remain on premises will have a difficult time executing proactive, personalized service because their data remains in silos and does not flow between systems for real-time performance.

Personalized, proactive customer service, supported by the right technologies and data strategy, can help organizations better understand, serve, and ultimately build loyalty and retain their customers.

For more information, please visit Verizon's Cloud contact center solutions.

[5] TechTarget Customer Experience, Customer Journey Map, What is a customer journey map?

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