The future is frictionless.

Why customer loyalty depends on a seamless journey, every time.

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In today's digital era, people have access to a whole world of information, entertainment, people and products—all at their fingertips. Consumer expectations for speed and convenience are rising, and they can easily abandon a bad experience to find a better one.

Organizations are feeling the pressure. Winning the competition for customer loyalty requires a seamless, frictionless customer journey— one that streamlines communication, enables self-service and creates consistency across channels.

That's easier said than done, as we discovered in our Customer Experience Annual Insights 2023 report, "The future is frictionless: Why customer loyalty depends on a seamless journey, every time." We surveyed 500 executives and 5,000 consumers in seven countries to find out how organizations measure up to consumer expectations, what challenges they face and where they're investing to drive improvement.

Most organizations are falling short of consumer expectations.

The majority of organizations we surveyed are confident that they're delivering a good digital customer experience (CX), but most consumers disagree.

- 57% of organizations across industries believe they are providing a better digital CX than their competitors.
- Yet only 48% of consumers say they are satisfied with most of the organizations from which they purchase goods and services.

Consumers express frustration with long wait times, slow communication, ineffective self-service and disjointed experiences across channels. Organizations would do well to prioritize improvements in these areas— weaving communication channels and self-service tools into a truly seamless digital CX.

## Leaders are paving the way to a seamless CX.

Our research shows that most organizations are struggling to improve their digital CX, held back by integration challenges, lack of access to data and a shortage of skills. However, we identified a small group of companies that are successfully addressing these challenges and reporting a revenue increase of 5% or more in the past 12 months. Three capabilities set these leaders apart as they pave the way toward greater customer loyalty.

CX leaders are:

- More likely to be investing in emerging technologies than other organizations—and better at integrating them
- Using data to their advantage, applying predictive and prescriptive analytics to deliver more personalized customer experiences
- Attracting, retaining and retraining top talent to adopt emerging technologies and improve the customer journey
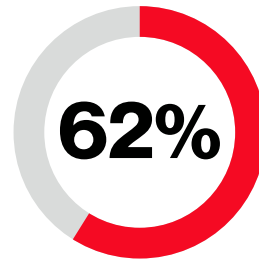
62%

of executives agree that the shift toward digital channels and artificial intelligence (AI)-driven CX is having a profound impact on how consumers engage with brands.
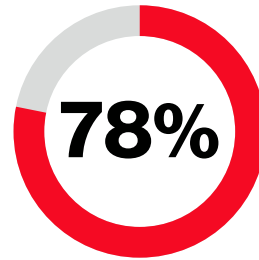
78%

of consumers say they are most likely to stay loyal to organizations that respond to their inquiries quickly.

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Key insights show where organizations should focus to improve the digital CX.

Emerging technologies can help streamline the customer journey.

For organizations that can overcome integration and adoption challenges, strategic use of emerging technologies provides a powerful way to streamline the customer journey and build a frictionless CX. Top technologies adopted by leaders include AI, generative AI, 5G, edge computing, augmented and virtual reality, and gamification.

Data is the foundation of a customer-centric approach.

Customer data is essential for empowering employees and delivering a more personalized CX. Yet 32% of organizations say their employees lack fast, easy access to data. Only 24% say they can rapidly take steps to identify and address customer pain points. In contrast, CX leaders are investing in advanced analytics to empower employees and customers.
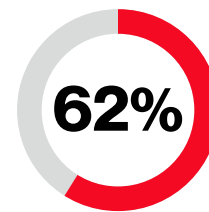
Building AI expertise can accelerate CX success.

As organizations adopt emerging technologies such as AI, they need to attract, retain and train the talent to support it. 64% of CX leaders say they have the talent and skills to harness AI in improving the CX. Just 46% of executives overall can say the same. A good CX strategy also incorporates external expertise for challenges that internal teams cannot address.

Among organizations currently using AI-driven chatbots for self-service:

62%
see higher customer retention.

66%
report revenue growth.

58%
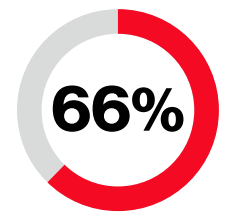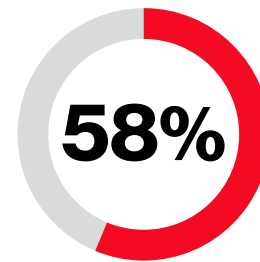of CX leaders are using predictive analytics.

Learn more.

With the right strategy and technology, a seamless digital CX can be an engine for long-term customer loyalty and revenue growth. Find out more about what consumers want as well as the challenges organizations face and how to overcome them.

Explore the findings and read the full report at verizon.com/cxannualinsights.

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