



The Evolution of Customer Expectations

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ABSTRACT

Delving into the nexus of customer experience evolution and business impact, this session uncovered strategies for reshaping KPIs, customizing intergenerational service, and mastering personalized engagement, directly linking these elements to enhanced profitability and market leadership.

KEY TAKE-AWAYS

- Strategic frameworks showcasing how advanced KPIs in CX and EX transformations can drastically boost financial outcomes, with real-world examples illustrating significant revenue and efficiency gains
- Actionable guide on differentiating customer service for diverse generational needs, underpinned by data-driven tactics, resulting in heightened brand loyalty and expanded market share
- Critical techniques for deepening personalized customer interactions, drawing from successful case studies to demonstrate their profound impact on customer satisfaction and sustained organizational growth

INTRODUCTION AND OPENING QUESTION

Rohan Sharma, a seasoned industry leader who has managed P&L, Digital, Agile and Customer Experience transformations at companies including Apple, Walt Disney, Honda and Thermofisher Scientific, led an open forum Virtual Event attended by numerous Customer Engagement Leadership Council Members. Before tackling the discussion topic, which revolved around linking evolving customer experiences to strategic business outcomes, Rohan posed this question to attendees:

***Is your Customer Experience function aligned with business outcomes?
Does it adequately respond to changing technology and customer needs?***

Member responses included:

- ✓ I think we're currently aligned with business needs, but the business is constantly changing and we need to keep changing with it

- ✓ We are trying to align our agile and digital transformation teams with business objectives
- ✓ The call center and customer experience are always evolving, so we are constantly revisiting to meet changing needs
- ✓ We are aligned, but I fear we are not responding adequately - customer expectations are exceeding delivery and regulatory restrictions
- ✓ We take chances and risks with new technologies and are mostly succeeding
- ✓ When you think your adequate, you're probably behind. A "productive paranoia" is needed
- ✓ We realize we'll never get to an end game with all the constant technology changes and service expectations...but we are doing our best
- ✓ We are aligned and continue to work to design and decipher new measurements and KPIs

ANALYSIS

Rohan observed that many members stated that they were aligned with contact center or department goals but did not mention alignment with broader business and strategic goals. As noted, several members discussed customer experience metrics but not overall business metrics or goals such as revenue acceleration, cross-selling, up-selling or enhancing brand equity. Rohan encouraged the group to think more broadly and to incorporate executive level metrics into their CX planning and operations. Typical C-Suite business outcomes include cost cutting, margin preservation and revenue generation

Focusing on first call resolution and the best tools to provide to agents, as well as offering self-service option were a few suggestions from members as a means to meet broader business goals like increasing and/or accelerating revenue.

The second part of the opening question, *"Does the customer experience adequately respond to changing technology and customer needs?"* was meant to address how rapidly accelerating technologies are bringing faster and faster changes, and how they are affecting customer service expectations, particularly younger generations and digital-first customers. AI implementation will also continue to shape contact centers and their stewards.

FUNDAMENTAL CUSTOMER EXPERIENCE (CX) ISSUES

Rohan discussed the following fundamental CX issues and their impact on financial outcomes:

The Personalization Paradox:

Most customers want personalized experiences but have data privacy concerns. How can companies delivering services balance the two?

- 62% of customers desire personalized experiences
- 50% view hyper-personalization as a violation of privacy

Technology will continue to bring significant workforce changes:

AI and other technologies will lead to big workforce shifts and changes in leadership dynamics. Studies show:

- Generative AI will disrupt 90% of jobs, altering the global employment landscape
- 52% of jobs are expected to undergo substantial changes
- Over 25% of C-Suite roles will be impacted by AI
- Workforce upskilling, reskilling and training and development will be critical

Technology costs and upgrades will grow:

- Almost half of all businesses report that they are hampered by the cost of tech upgrades needed to stay competitive in the customer experience realm
- Understanding and managing true technology costs, i.e. “Technology ROI” that includes human capital will be needed.
- Evaluating new technologies carefully and applying some on a use case basis versus a global scale was discussed
- To succeed, leaders will need to determine how to manage new technologies and orchestrate parallel organizational change

Big data challenges will need to be solved:

- Organizations will need large amounts of data to guide the customer experience, but acquiring and managing data - and ensuring that it's accurate - is still elusive for many
- Over half of businesses struggle with inaccurate data (56%) and restrictions around data collection (50%), presenting major obstacles to effective personalization
- It is very difficult to establish data models and systems – and privacy and compliance guidelines must be adhered to

Data above sourced from:

Oxford Economics & Cognizant Study (Predominantly)

<https://www.cognizant.com/us/en/gen-ai-economic-model-oxford-economics> &

McKinsey Economic Potential for Generative AI

<https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier>

MEMBER DISCUSSION

Rohan discussed the customer challenges noted above with members and sought their feedback and experiences. Summaries of member comments are grouped by topic below:

Personalization

- ✓ Personalization is not a big initiative with us yet. We're focused on authentication first, then personalization if possible, and avoiding negative sentiments
- ✓ Managing personalization priorities while not encroaching on privacy is an ongoing challenge for our organization
- ✓ It's important to include legal and follow compliance guidelines to balance personalization with privacy rights
- ✓ Data governance is also critical
- ✓ Global privacy laws differ greatly, complicating adherence policies

Technology and AI

- ✓ AI will have a big impact – some jobs will go away slowly. Others will morph into something different
- ✓ AI will play a greater role in sales enablement and the customer experience (shaping tactics and strategies)
- ✓ All of these factors will lead to a big disruption in the customer experience

Agent skills

- ✓ The job description for agents will change; in many cases, more advanced skills will be required and roles will evolve
- ✓ Agent upskilling, reskilling and (re)training will be needed

Change and process insights

- ✓ Remember that process problems cannot be solved by technology alone. Neither can an organization's cultural issues
- ✓ Change is not just about the vendor you choose. Also factor in intangibles like employee adoption, internal change management strategies and disruptions technologies bring
- ✓ Examine whether the cost of a new technology is justifiable. In some instances, it may be better to roll out technology on a use-case or iterative basis; and to avoid big (often costly) rollouts

In closing, Rohan reminded members to think like a business leader, not only a cost center leader. He advised participants that technology development, the accumulation of data, and customer expectations will only continue to accelerate – and to prepare, plan and strategize accordingly.

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