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This year, the Customer Experience Management Benchmark (CXMB) Series Corporate Edition report introduces a slew of new questions, including an entirely new section titled "Technology," which focuses primarily on AI-powered solutions. Many in the industry predicted that 2018 would be the year of artificial intelligence (AI), and in many ways it was. Not only has AI been the hottest of topics on the conference circuit, but CXMB Series results show almost twice as many brands with an AI-powered solution in 2018 when compared to 2017 (page 46).

In addition to this new content, the 2018 Corporate Edition continues to uncover insightful perspectives and interesting trends. Perhaps one of the most interesting shifts in 2018 was the not so subtle shift away from Traditional Care and into Interactive Care. In 2018, brands estimated that 64% of total volume occurred in their Traditional Care channel, down from 73% in 2017. At the same time, brands estimated that 25% of total volume was passing through Interactive Care, up from 18% in 2017 (page 30). These shifts are significant and are perhaps a precursor of the even larger shifts that are yet to come.

This year’s report also continues the tradition of comparing results between Consumer and Corporate Editions of the CXMB Series (page 68). This year’s comparisons touch on such topics as meeting consumer needs and expectations, first contact resolution and the resolution rate of unassisted solutions.

As in past years, the CXMB Series questions are organized around a specific set of channel definitions, as outlined below.

**Traditional Care:** Phone, Email and In-Person  
**Interactive Care:** Online/Video Chat, FAQ and Self-Help  
**Social Media Care:** Twitter, Facebook, Forums, etc.  
**Mobile Care:** Apps, Text/SMS and Mobile Chat

Please keep these channel definitions in mind as your review these results.

**Highlights from this year’s CXMB Series Corporate Edition report:**

- Of the brands that feel their leadership is committed to a customer-first strategy, only half (44%) feel the culture of their company is cohesively aligned behind that strategy. (page 15)

- The percentage of brands measuring CSAT in their Interactive Care channel jumped to 68% in 2018, up from an average of 51% over the previous three years. (page 36)

- Two-thirds of brands are actively trying to shift traffic from one channel to another (the highest result ever), with 82% of these trying to shift traffic from Traditional Care to Interactive Care. (page 23)

- More than half (57%) of respondents say their organizations do not do a good job of providing a seamless and easy experience as their customers transition between different channels and solutions, yet only 40% of these brands have initiatives to create greater ease for customers as they navigate across channels. (page 22)
A NOTE FROM THE AUTHORS

We are pleased to present this, the thirteenth volume in the CXMB Series of reports. As the industry undergoes tremendous change, particularly in the area of technology, it is our hope that this year's report, Corporate Insights: CX, can provide actionable insights into what's working, what remains a challenge, and where brands are headed next.

In addition to the data and analysis our audience has come to expect, this year's report also features a captivating case study from Brett Frazer of Sun Basket. As a part of his coverage of Sun Basket's customer experience operations, Brett introduces readers to "Sunny B," Sun Basket's intelligent chatbot solution. Sunny B is a great example of how AI-powered technology can not only be developed in-house, but can also play a key role in scaling up operations. We thank Brett for his contribution, and we invite you to take a look at his commentary, beginning on page 6.

As with previous CXMB Series Corporate Edition reports, the contents of this document would not be possible without the generous support of our participating brands. By taking part in the CXMB Series survey, brands are graciously inviting readers into their boardrooms and contact centers, providing an unrivaled behind-the-scenes look at their operations. We truly appreciate the expertise and experiences shared by this year's participants.

To both our readers and contributors ... Thank you!
Corporate Commentary
When we set up the customer service organization at Sun Basket, our plan was to create a customer experience that satisfied and delighted our customers as much as the amazing meals and high-quality ingredients we were sending them every week, and that also as acted as a channel of the voice of the customer to all parts of the company. Just as with our meal offerings, that meant beginning with tried-and-true core customer support channels, such as agent-supported phone and email, backed up with an ever-present online knowledge base.

As a small company, this carried us through our early days; our customers overall gave us good feedback on their support experiences, with on average over 87% satisfaction rating through 2016 and 2017. It also provided us with a detailed level of understanding what was causing transactional level issues with deliveries or ingredients week over week, and why churning customers were deciding to cancel their subscription. This detail was vital both to our operations and logistics teams to drive improvements in quality and reliability, as well as to our marketing and retention teams to enhance both our customer acquisition strategies as well as product and service offerings.

Scaling Up

Our Co-Founder and CEO, Adam Zbar, has always challenged us to identify ways to enable our customers to answer their own questions and solve their own problems as much as possible, with agents available when necessary. After experiencing triple digit growth across 2017 and into 2018, the urgency of facilitating our customer’s ability to find their own solutions increased. Simply put, if the linear growth in Customer Service Agents tracked in line to our customer base growth, we were not going to be able to make our financial margin goals. Our first step to address this in 2018 was to make a smarter and more targeted knowledge base. We collaborated with our Development team in 2018 to relocate, revitalize, and enhance our existing content. This enabled more customers to get answers to their questions from the knowledge base, a 15% increase on customers indicating that the content was helpful. When they still needed help, tying the content they were viewing into the new “Contact Us” form, allowed us to predictively route their requests to the correct agent group with far more accuracy than straight email. This also laid a significant foundation for future automation plans in 2019.

Intelligent Automation

This collaboration was also an opportune time to introduce chat as a new customer service channel, increasing our agents’ efficiency for handling inquiries related to their delivery and ingredients.

Shortly after, we launched our first foray into automation with a chat bot. After an unsuccessful engagement with a third-party bot developer, our customer service systems administrators took the work in-house, and were able to apply scripts to existing fields in our CRM to create a functional chat bot within 8 weeks. Our expectation was that our bot, dubbed “Sunny B,” would be able to resolve 20% of the initiated chats. However, in the initial 4 months, we have averaged a 29% resolution rate with the same satisfaction level as our fully agent-assisted channels.
Drilling down on the issues that Sunny B has not been able to resolve, we see opportunity, through a combination of process and policy adjustments, to increase this beyond a 50% resolve rate in 2019.

Not every automation channel works the same for every customer issue. As a subscription-based company, how we manage cancellation requests has significant impact to our revenue, retention, re-acquisition, and data intelligence. In 2016 we had attempted to utilize chat for our cancellation channel, but it never achieved the desired results in these 4 areas. So, when in testing automation for cancellation requests, we took a different approach. Researching what has worked for other successful subscription services, we settled on creating an easy yet engaging online cancellation method that was backed up by live agents at every step in the process.

Again collaborating with our internal development team, in late 2018 we built the process and testing methodology, and implemented a 6-week test to validate the impacts. While we knew automation would create significant cost savings, we wanted to ensure that we would not lose the opportunity to retain or “save” those customers who really were looking for a solution to stay, nor the insight to the reasons why customers wanted to leave the service.

We were prepared for a small degradation of our retention rate; however, were surprised that customers in our test group were being actively saved at a higher rate than those who only engaged with live agents, and those who canceled via the online cancel flow also had a higher re-acquisition rate. This customer quote represents their appreciation of the ease: "Thank you for making canceling straightforward. This makes me more likely to come back in the future to try your service again.” We also identified that approximately 10% of customers in the control group found the act of dealing with an agent for the cancellation too burdensome, and so instead remained in an active state but simply kept skipping future orders.

Based on these results, we are rolling out this new automated flow to our largest customer segment in Jan 2019 and testing on our other segments to validate we can achieve the same positive results.

Next Steps

Based on these early encouraging results across both automation approaches, 2019 is positioned to be a transformative year for Sun Basket’s customer service organization. Our goal by year-end is that more than 50% of our customers will be able to resolve their issues without having to interact with an agent, reducing their time and effort as well as our cost.

With these savings we are able to further invest in our agents who directly assist customers, both by providing agent-assisting automation to reduce the manual steps they need to perform and in ensuring they have the knowledge, skills, and content to provide a customer experience that satisfies and delights them as much as the extended range of amazing meals, high-quality ingredients and other new products we send them every week.

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ENABLING CUSTOMERS TO TAKE CONTROL
OF THEIR SUPPORT EXPERIENCE AND SOLUTION, CONT.
Brett Frazer, Head of Customer Service — Sun Basket

Brett Frazer is the Head of Customer Service for Sun Basket, Inc. In this capacity he leads all aspects of the company’s Customer Service function and works directly with the C-Suite and other senior leaders of the company, which was founded in 2014 and has grown rapidly since that time.

Brett has over 20 years of experience working with multi-national organizations and startups to design, build or enhance their customer service organization. Regardless of role, position, or organization, the focus and passion of his work has been to create experiences that not only keep customers coming back, but that lead them to recommend others to join them.

A native of New Zealand, Brett has lived and worked in 5 countries, and has a passion for photography.

About Sun Basket, Inc.

Sun Basket makes it easy to cook healthy by providing organic produce, clean ingredients and delicious recipes, delivered in 100% recyclable or compostable packaging. Options include Paleo, Lean & Clean, Gluten-Free, Vegan, Vegetarian, Mediterranean, and many others.

To learn more about Sun Basket, Inc. visit sunbasket.com
ABOUT THE STUDY’S PARTICIPANTS

This year’s survey participants covered a broad spectrum of industries, with strong representation from both retailers and consumer electronic brands, including technology manufacturers and software developers/publishers. The company size of this year’s participants, as represented by average revenue, is moderately higher than survey participants from previous years. In 2018, 28% of participating brands enjoyed annual revenues of $10 billion or more, compared with only 16.5% of the brands that participated in 2017.

A special thanks to these and the many other brands that contributed their time and effort to this year’s benchmark results:
Strategic Insights

- Perception
- Priorities and Initiatives
- Program Structure
Perception
The degree to which brands feel they are generally meeting the needs and expectations of customers expanded significantly in 2018, with nearly 90% of brands indicating success in this area. At the same time, consumer opinion on the matter has stagnated, with recent results indicating that less than half of consumers feel brands are generally meeting their needs and expectations. Check out the Consumer Edition Comparisons section (page 68) for a detailed comparison of results.

In a marketplace where differences in price, availability and quality are becoming a scarcity, companies are increasingly relying on their brand promise and customer experience as key differentiators. As indicated by the results (at left), a significant number of brands need to step up their game when it comes to living and breathing the brand promise across every touch point. Repeat business is the lifeblood of a company. Providing a superior and consistent experience is a surefire way to build loyalty.

As indicated by the results below, the majority (69%) of brands continue to have a good understanding of their customers’ channel preferences and how this differs from what is offered. However, with 29% indicating “No,” insight into channel preferences is still a significant challenge for the industry. This is compounded by the 63% of respondents who do not believe their brand offers support in all the channels their customers want to use (below, right). When a brand has a clouded view of its customers’ channel preferences, it becomes nearly impossible to develop an effective channel strategy. When a brand does not offer coverage in all the channels their customers want to use, the overall customer experience falls short of its full potential.
Generally speaking, which challenge is your company struggling with most in its pursuit to provide an exceptional customer experience?

Pursuit of an exceptional customer experience can be an arduous task. Luckily, individual brands aren’t going it alone in this journey, and many brands struggle with similar challenges.

When this year’s CXMB Series survey participants were asked which part(s) of the journey they struggle with most, some common themes emerged. Among the most common responses were effective cultural transformation, budget limitations, silo-busting, finding and implementing the right technology and striking a balance when trying to deliver on both customer and business needs. Listed below are some verbatim received in response to the question, “Which challenge does your brand struggle with most in its pursuit to provide an exceptional customer experience?”

“Balancing costs with providing scalable omnichannel customer experience.”

“Integrating and leveraging our tech stack to deliver the right employee and customer experience.”

“Finding the right channel for each customer need, and directing them there.”

“Striking the right balance between providing an exceptional customer experience, and one that is just good enough.”

“Improving operational efficiency through process automation and advanced technology.”

“Breaking down silos. The intention is there, yet the execution is not.”

“Creating a customer-centric culture for non-customer facing employees.”

“Balancing the goal of improving CX with the cost of technologies to do so; this is particularly true with digitization.”

“IT investment capacity and ability to execute on those projects.”

“Full adoption of a new customer-centric culture.”

“Overcoming the conflict between business needs versus what is best for the customer.”

“Tooling infrastructure to provide a more deliberate approach to care, and also not knowing enough about our customers.”

“Making customer centricity at the heart of everything we do.”

“We are tethered by our legacy processes, but are working to make the experience simple and easy.”
In response to a question added just last year, there was a slight lift in the percentage of respondents who characterized their company’s leadership as fully committed to a customer-first strategy. Although the year-over-year results moved in a positive direction, they underscore the fact that more than 40% of brands are at a distinct competitive disadvantage by not committing themselves to putting their customers first. Within the industry, one study after another continues to suggest a strong link between an emphasis on the customer experience and positive outcomes like improved brand loyalty, increased revenue and, in the case of publicly traded companies, better stock price performance.

As highlighted on the previous page, cultivating cultural change poses a significant challenge at many organizations. In a new question for 2018, only 44% of respondents indicated a strong alignment between their company culture and their leadership’s customer-first strategy, with 47% responding there was somewhat of an alignment. When it comes to taking a customer-first approach, nothing can so easily derail a brand’s good intentions as a disconnect between a customer-first strategy and the culture of the organization tasked with carrying out such a strategy. Meaningful cultural shifts need to start at the top, and the benefits of the shift need to be well-defined and shared throughout the organization.
Similar to last year, corporate survey respondents continue to underestimate the consumer’s desire to speak with a person in the event of a routine customer care issue, while over estimating the consumer’s desire to speak with a person in the event of a complex customer care issue. In the most recent CXMB Series Consumer Edition report released in September 2018, 51% of respondents said they preferred to speak with a human in the event of a routine issue, while 72% said the same in the event of a complex issue. In other words, consumers are far less polarized than brands perceive them to be based on issue type. Furthermore, the majority of consumers continue to want to speak with a human regardless of the complexity of the issue they are experiencing.

Similar to last year, corporate survey respondents continue to place a heavy premium on two specific characteristics of care: speed/ease and correct/consistent information. Together, these two responses accounted for 78% of all responses. In contrast, when consumers were asked what mattered most to them, the combined responses of speed/ease and correct/consistent information accounted for only 39% of the total.

Aside from getting their issue resolved satisfactorily, what do you think is most important for your customers when dealing with a large brand to resolve a customer care issue?
Priorities and Initiatives
When brands were asked about their CX priorities over the past year, familiar patterns emerged, along with a couple of emerging priorities. Improving the customer experience continued to dominate as the top priority, although the category fell by 15 points (a 24% decrease) year-over-year. Most of this change gave way to a jump in focusing on increasing effectiveness and improving resolution rates, and a return of reducing costs and introducing new channels and/or shifting care to new channels.

Looking forward, about half of all brands indicated they would continue to focus on improving the customer experience. Although increasing effectiveness/improving resolution rates runs a distant second, this, too, can be seen as a priority directly related to improving the customer experience. Worth bearing in mind is, as mentioned elsewhere in this report, a focus on improving the customer experience tends to lead to increased loyalty and revenue. This is something to consider for the ten percent that said they will be focused on increasing revenue in the coming year.
Since 2015, fewer and fewer respondents have indicated plans to shift customer care away from its existing strategy and/or setup. The reason for this could be the fact that most brands have already expanded into alternative channels, and a customer-first strategy has been widely adopted by most brands that seek to provide a quality CX experience. This is also consistent with the types of changes seen over the years. In 2015-2016, the focus was on expanding channel availability and adopting a customer-first strategy. Most recently, the focus has been on providing additional tools, emphasizing quality and consistency and improving the self-help experience.

Like previous years, the percentage of brands taken by surprise by a substantial change in any channel remains low, at only seven percent. Like previous years, responses often provide a hint of what types of wider changes are cascading across the industry. In 2018, 100% of the surprises were focused on one channel: online chat. In each case, the surprise had to do with an increase in chat volume.

Has there been a substantial change in any channel that has taken you by surprise?

- **2018** — Yes: 7%
- **2017** — Yes: 8%
- **2016** — Yes: 5%
- **2015** — Yes: 6%

As a follow-up to the above question, respondents were asked to briefly describe the planned strategy/setup shift. Among the handful of brands that indicated an imminent change, the introduction or improvement of self-help options accounted for half of all responses. The global roll-out of new CX strategies and greater attention to channel consistency and customer ease also contributed to the responses received.
Customer journey mapping (CJM) activities continued to gain momentum in 2018, with 91% of respondents indicating a recent or upcoming CJM project. This compares with 88% in 2017 and 81% in 2016. CJM is an effective way for brands to truly gauge the customer experience provided by their brands, while also identifying and addressing points of failure and root cause of common issues.

Of all your company's upcoming customer care initiatives, please briefly describe the one you think will have the most positive impact on the customer experience.

A variety of initiatives were described in response to the above question, but the response that stood out above all others was initiatives related to self-help. From implementation to improving functionality and ease of use, self-help proved to be a popular area of focus in 2018. Other commonly noted topics included creating greater consistency across channels and the introduction of new technologies, including chatbots and redesigned/improved agent tool sets.

“Plan to streamline self-help infrastructure across the company.”

“Will align customer account policies globally to provide a consistent customer experience across regions.”

“Focused on reducing customer effort.”

“We’re revamping our quality process.”

“We’ll be conducting end-to-end customer journey mapping.”

“Disseminating information across channels to give answers without the customer having to switch to another channel.”

“Reducing contacts by eliminating the defects that cause them, resulting in a smoother customer experience.”

“We’re providing the ability to enter through multiple channels and have the same experience with all agents having access to the contact history.”

“We’re providing better self-help options. The more our customers can get a quick and easy resolution without having to speak with an agent, the better their experience will be.”

“We’re transforming our customer service offering through a combination of new technology, and providing training to encourage consistent processes.”

“We’re rebuilding our contact center tool set.”

“The introduction of omnichannel and self-serve capabilities.”

“We’re going to begin to proactively contact customers who submit negative reviews or negative feedback following a customer service interaction.”
Cross-channel consistency is something brands continue to struggle to achieve. Results from 2018 confirm this fact, with only 11% of respondents indicating that their organization does a good job of providing a consistent customer experience across different channels and solutions. Consumers also acutely perceive the lack of consistency. In the 2018 CXMB Series Consumer Edition report, only 51% respondents indicated that they had a consistent experience across channels during their most recent multichannel experience.

When asked to describe their planned initiatives to create greater consistency across channels, most respondents provided answers describing CRM integrations, implementation of an omnichannel solution, improvements to knowledge databases and improved agent training and information calibration. Below are some specific verbatim describing some of the planned initiatives.

“We’re journey mapping across the organization.”

“We’re putting in place the use of an omnichannel platform that will provide the complete thread of customer interactions across platforms.”

“We have been improving our agents’ knowledgebase to improve consistency of response across channels.”

“We are looking to implement a consolidated desktop suite that will give agents a single pane of glass from which to view the customer’s entire information and history.”

“Calibration meetings across teams and shared training documents.”

“We are planning to deploy an omnichannel solution soon.”

“We’re investing in a CRM system that provides a ‘one-stop view’ of the customer for all departments.”

“We’re looking at integration of multiple CRMs.”
SEAMLESS AND EASY TRANSITIONS ACROSS CHANNELS
Strategic Insights — Initiatives

In a new question for 2018 (at right), only four percent of respondents felt their organization was doing a good job of providing a seamless and easy experience during channel transitions, with 39% indicating they were doing “Somewhat” of a good job. An easy and seamless experience is one of the prime drivers of high customer satisfaction. So it comes with little surprise that, in the most recent CXMB Series Consumer Edition results, only 57% of consumers indicated satisfaction with the multichannel experience. Brands need to create simple and effective channel transitions to win over customers, especially as multichannel journeys become the norm.

Do you feel that your organization does a good job of providing a seamless and easy experience as your customers transition between different channels and solutions?

- Yes — 4%
- Somewhat — 39%
- No — 57%

Compared to cross-channel consistency issues (previous page), fewer organizations are working to improve channel transition ease with specific initiatives. In the case of channel consistency, 71% of organizations had specific initiatives to drive improvements, compared to only 40% (at left) for improving transition ease. Seamless and easy transitions between channels are more important than ever, especially as channel and solution options continue to expand, increasing the likelihood of cross-channel journeys.

Does your organization have any specific initiatives to create greater ease for your customers as they navigate across channels?

- Yes — 40%
- No — 44%
- Don’t Know — 16%

Please briefly describe your organization’s initiatives to create greater ease for your customers as they navigate across channels.

In an attempt to make channel transitions easier and more seamless, initiatives cited by survey respondents mostly revolved around improving their technology stack. Chatbots, smarter online chat platforms and integrated CRM systems were all named as specific initiatives, as well as concerted efforts to move toward a true omnichannel environment.

“Moving to a chatbot that’s tied to live chat.”

“We are implementing a messaging platform that will make it easier for customers to navigate through non-voice channels.”

“We’re currently mining our customer experience and customer usage patterns across channels to identify opportunities for a more seamless and consistent experience.”

“Reducing customer effort and eliminating silos.”

“Putting in place a system that will provide contact history and enable tracking of more metrics.”

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In describing the specific initiatives to increase the resolution capabilities of alternative channels, automated and AI-powered solutions figured strongly, along with improved self-help options. There were also numerous plans to tackle first contact resolution (FCR) specifically, particularly as it applies to chat. Below is some verbatim from the answers received:

“Introduction of VOC metrics to support efforts, and investments in improved self-service capabilities.”

“Measuring and improving FCR is currently in the works.”

“Connected device information to proactively identify challenges, utilizing AI to identify next best and predict challenges, more training and various platform improvements.”

“We are actively looking into more self-help options and AI capabilities.”

“Transitioning to a new software tool set to enable greater functionality and analytics.”

“Increasing the level of awareness of the channels and empowerment of agents assigned to the channel.”

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“Transitioning to a new software tool set to enable greater functionality and analytics.”

“Increasing the level of awareness of the channels and empowerment of agents assigned to the channel.”

Forced channel shifts continue their up-and-down pattern, with 2018 coming in as an up year. Sixty-four percent of survey respondents acknowledged that their brand was actively trying to shift traffic from one channel to another, with most (82%) describing the shift as a move from Traditional to Interactive Care. Furthermore, nearly a third of respondents described the shift as a move from live to automated assistance. Brands need to be careful of such moves, as ongoing CXMB Series Consumer Edition research consistently reveals two important facts: 1) most consumers prefer live assistance over automated assistance; and 2) forced channel shifts can have a negative impact on both resolution and customer satisfaction (CSAT) rates.

Is your organization actively trying to shift engagement traffic from one channel to another?

- 2018 — Yes: 64%
- 2017 — Yes: 52%
- 2016 — Yes: 61%
- 2015 — Yes: 47%
Program Structure
Although the overall number remains low, the percentage of brands providing omnichannel support rose slightly in 2018, up five points, an increase of 45%. Although the transition to omnichannel typically calls for a sizable investment, omnichannel care often leads to better outcomes for customers as a result of a more seamless and consistent experience.

On the whole, brands placed slightly more importance on transitioning to omnichannel in 2018 versus 2017. As of late, there has been a lot of discussion in the industry around the true value of omnichannel and whether it’s a good fit for every organization. In the rush toward Artificial Intelligence (AI)-powered solutions and other innovations, brands should consider omnichannel’s place in their care organization and understand what value it might bring, both to the organization and the customer.

The ability of agents to review the complete thread of interactions across channels continued to spread in 2018, with 40% of respondents claiming the capability, up ten points year-over-year. A single view of a customer’s interaction history, regardless of channel, is often seen as the cornerstone of an omnichannel program. Such capability offers brands unique insights into their interactions with customers, while also contributing to smoother channel transitions and higher resolution rates for customers.
Year-over-year, there was no change in the percentage of brands using customer feedback to improve the customer experience. Although 77% might seem like a good number, utilizing customer feedback is simply one of the best ways to effectively identify root cause, tackle systemic issues and spot counterproductive policies and processes. Aside from surveying, quality assurance programs are a great source for gathering customer feedback and deeper insights into the current customer experience.

In describing their various tools and processes for gathering customer feedback for the purpose of CX improvement, customer surveying was by and large the most popular mechanism. Voice analytics was also commonly mentioned. Below is a sampling of responses received when respondents were asked to describe their Voice of the Customer (VoC) programs:

- “Customer call back program, including root cause analysis of all customer complaints.”
- “Post-interaction surveys (in-channel), and voice analytics.”
- “Survey results are analyzed by team, scored and reported in a fishbone diagram to identify opportunities.”
- “We have developed an integrated portal with dashboards, verbatim, analysis, trending, customer-level transcripts, etc. We are also trialing new tools to analyze and visualize unstructured customer feedback and interactions.”
- “We do regular customer focus groups and work with our loyalty group to get regular and real-time feedback.”
- “We use voice analytics and survey after all voice, email, and live chat interactions.”

For 2018, the percentage of survey respondents claiming a process of proactively following up after a negative experience fell by eight points, a decline of ten percent. Proactively following up when things do not go well is a critical step to saving a customer. Recent CXMB Series Consumer Edition results showed that, following a negative experience, individuals who were proactively contacted were 19% less likely to have a negative impact on their future purchase decisions compared to those who were not contacted.

In 2018, only 23% of survey respondents indicated the presence of a Chief Experience Officer (CXO) or similar role within their organizations. Installing a CXO can be helpful in championing the cause of the customer, transforming a brand’s culture and achieving success with the types of initiatives that can positively impact the customer experience.
Key Findings:

- Only one-third of respondents said they believe their brand offers solutions in all the channels their customers want to use. (page 13)

- Of the respondents that feel their leadership is committed to a customer first strategy, fewer than half (44%) feel the culture of their company is cohesively aligned behind that strategy. (page 15)

- Two-thirds of participating brands are actively trying to shift traffic from one channel to another (the highest result ever), with 82% of these trying to shift traffic from Traditional Care to Interactive Care. (page 23)

- More than half (57%) of respondents say their organization does not do a good job of providing a seamless and easy experience as customers transition between different channels and solutions, yet only 40% of these brands have initiatives to create greater ease for customers as they navigate across channels. (page 22)

With the introduction of so much new technology within the industry, particularly for the Interactive Care channel, it behooves brands to pause, take a step back and take a look at things from the perspective of their customers. Having the latest tools and technology can be a powerful thing, but only if they work to help the organization better meet customer needs and expectations, thus improving the customer experience. With only one in three brands providing solutions in all the channels their customers want to use, a disconnect is apparent. Therefore, brands have to be vigilant in ensuring they are providing the right mix of channels and solutions, and this almost always requires listening to customers and adjusting accordingly.

When it comes to meeting needs and expectations, company culture is also a vital part of the equation. Undoubtedly, technology moves much faster than any organization can make a cultural shift, yet technology is constantly enabling new possibilities for how brands interact with and engage their customers. Strategy works in the same way, and based on results from this year’s survey, a significant percentage of organizations have a culture that is lagging behind in both its technology and leadership strategy. Therefore, brands have to make a concerted effort to reinvent their culture and make sure culture never stands in the way of creating a great customer experience, but is, instead, a propellant for improving the experience.

**Critical Questions Brands Should Be Asking Themselves**

Is our channel solution mix on target with the needs and expectations of our customers, and are we making it easy for customers to navigate across channels?

Does our culture align with both our technology and the strategic direction of leadership? If not, what are we doing to drive effective change and create a culture that propels an improved customer experience?

Are we actively shifting traffic from one channel to another, and if so, have we done a good job of understanding how this impacts the overall customer experience?
Operational Insights

• Volumes and Growth
• Monitoring, Measuring and Performance Improvement
• Staffing
• Technology
Volumes and Growth
Compared to the volumes routinely experienced by last year’s survey participants, brands that participated in this year’s survey experienced moderately heavier volumes. This is particularly true at the top end, where 48% of this year’s survey respondents conducted 30,000 or more interactions each week, compared to only 37% of brands from last year’s survey. This result is congruent with larger average revenues among 2018 survey respondents when compared to those from last year (page 9).

After two consecutive years of slight or flat growth, the overall percentage of volume moving through the Traditional Care channel was down nine points year-over-year, a decline of 12%. Most of this decline was absorbed by Interactive Care, which experienced a year-over-year jump of seven points, an increase of 39%. Mobile Care also experienced a small bump (up three points), while Social Media Care was relatively flat. These changes make sense for an industry migrating toward greater automation and away from live assistance.
Although the percentage of automated engagements has stayed in a tight range since 2015, there was a small lift of three points year-over-year, representing a 10% increase. As more brands implement AI-powered solutions (e.g., chatbots), it is expected that a greater percentage of engagements will shift into the automated column.

Both Traditional and Interactive Care continued trends noted in 2016 with a strong decline in the growth of Traditional Care, while Interactive Care continued its upward march. Year-over-year, there was an upward shift of ten points among brands naming Interactive Care as the channel of most growth. Meanwhile, the percentage of brands naming Traditional Care as the channel of most growth fell by 12 points. Social Media Care also saw a moderate slowdown (down four points), while Mobile Care saw a six-point lift. These trends will certainly hold or extend as more brands look to divert traffic away from Traditional Care and into alternative solutions like online chat, SMS/Text and social media. More information about such channel shifts can be found in the Strategic Insights section (page 23).
As has been the case for the last several years, growth was widespread across all channels, with every channel experiencing more traffic growth than traffic reduction. In fact, Traditional Care was the only channel to reflect any sort of notable downside, with 30% of respondents indicating a yearly decline in channel traffic. On the upside, Interactive Care led the way with 69% of respondents indicating traffic growth for the channel. This was followed by Social Media Care (63% indicating growth), Mobile Care (50% indicating growth) and Traditional Care (47% indicating growth). Compared to 2017, both Traditional and Interactive Care saw the largest divergences, both to the upside.
As reflected on the previous page, growth among alternative channel solutions showed strong upsides with volume for every solution (save a small blip for Online Chat). Traditional Care told a fairly different story, with a moderate to strong decline across every solution. Volume increases were strongest for Email, while increases barely outpaced declines for Phone. At the same time, nearly two-thirds of respondents indicated a yearly decrease in Mail volume.
Monitoring, Measuring and Performance Improvement
Compared to the results from 2017, this year’s CX measurement results show a marked improvement in channel coverage. Not only were there declines in the percentage of brands measuring CX in only “some” or a “single” channel, there were significant increases in the percentage of brands measuring “in all channels” (up ten points) and “across all channels” (up 11 points). Measuring across all channels is the most effective (and perhaps the only) way to truly gain absolute insight into the current customer experience.

Unlike the results above, the year-over-year change in the percentage of brands comparing multichannel to single-channel performance failed to impress. The already low number of organizations undertaking such a task fell four points (a decline of 31%). Comparing single-channel to multichannel performance can help brands uncover a variety of root cause issues leading to improved resolution rates, especially among alternative channels.

The rates at which brands use various CX measurements held fairly steady year-over-year, as it mostly has in previous years. There was a small decline for Net Promoter Score (NPS), down eight points (a decline of 12%), putting 2018 levels on par with those of 2016. Among the brands that answered “Other,” FCR, employee satisfaction and the Advocacy Index were also named.
When survey respondents reported in which channels they measure customer satisfaction (CSAT), results were fairly consistent with results from previous years, save one channel: Interactive Care. Whether this is the result of an uptick in channel offerings or something else is unclear but, year-over-year, there was a 19-point jump, a nearly 40% increase. This is a smart shift for the industry, especially as many brands introduce new and unassisted solutions, like chatbots and AI-powered self-help tools.

Coinciding with the lift in CSAT measurement within the channel (above), Interactive Care was the only channel to experience a lift in the percentage of brands, naming it as the channel that consistently provides the highest level of CSAT. Mobile Care was flat, while both Traditional and Social Media Care were each down two points. Although Traditional Care has dominated this particular question for years, this comes as no surprise, given how many companies monitor Traditional Care for CSAT in comparison to other channels.
On the whole, FCR results were fairly consistent with previous findings. In 2018, three-quarters of survey respondents reported that issues were often resolved during first contact, while a fifth of respondents indicated that an FCR occurs about half of the time. To see how these results compared with the consumer’s experience, see the Consumer Edition Comparisons section (page 70).

Similar to CSAT (previous page), the percentage of brands measuring FCR in Interactive Care exploded in 2018, up 21 points or a 75% year-over-year increase. Also, like the increase in CSAT measurement, the increase in the percentage of brands measuring FCR is likely due to the recent barrage of new Interactive Care solutions, like chatbots and other AI-powered solutions.

Results for 2018 showed a powerful upswing in FCR when compared to results from 2017. The year-over-year improvements were especially concentrated in alternative channels and especially in Mobile Care, which went from an average FCR of 31% up to 69%. It should also be noted that these improvements coincide with increased rates of measurement (above) and an improved perception of FCR performance among consumers, as seen in the Consumer Edition Comparison section (page 70).
QUALITY ASSURANCE MONITORING
Operational Insights — Monitoring, Measuring and Performance Improvement

Following the lead of other measurement categories (e.g., CSAT and FCR), Quality Assurance (QA) activities within the Interactive Care channel saw a strong upswing in this year’s results, up 14 points year-over-year. This move represents an increase of 38% in the percentage of brands applying QA monitoring to their Interactive Care channel. Social Media Care also saw a bump (up five points), while Traditional and Mobile Care both slipped, down eight points and two points, respectively.

This year’s results brought little change regarding which teams and/or individuals are responsible for QA monitoring. A blend of independent QA teams and supervisors/team leads continues to be the most popular arrangement, at 50%. Furthermore, internal QA teams are about three times as popular as external QA teams. Whichever group is responsible, QA managers should ensure they are getting the most value out of their QA program, which should include root cause analysis and voice of the customer (VOC) data to help improve products, service and processes.

A large percentage (39%) of brands continue to labor away using Excel or other spreadsheet programs to conduct their QA activities, while slightly fewer (32%) use a QA-specific software solution, with the balance using a combination of the two. QA-specific software can often times provide specific and program-enriching advantages, especially when it comes to identifying root cause issues and gathering and managing VOC data. When a brand determines it wants to get more out of its QA programs, it should start with program expectations and then understand which tools can best deliver on those needs.
A successful QA program should do more than spot errors. It should also provide guidance on how a program can improve. In 2018, QA programs fully fulfilled this function at about half of the organizations that participated in the survey. Among the remaining brands, about a quarter indicated no such function was taking place.

Alignment between QA scoring and CSAT results can act as a powerful tool for truly gauging the customer experience. Misalignment can often times disguise broken processes and failed policies, hampering an organization’s ability to drill down to the root cause of scenarios that drive customer dissatisfaction. If those answering “Don’t Know” were removed from the sample size, it would result in 29% of brands acknowledging a disconnect between their QA program and CSAT results. This disconnect likely serves as a huge disadvantage for these brands.

Year-over-year, there was a moderate gain in the percentage of brands utilizing QA to produce business intelligence for use throughout the organization. This is good news, as it points to more brands unlocking the transformative qualities of an effective QA program. Such practices can not only point to broken processes and policies, but can also deliver highly valuable information to other teams like product, engineering and marketing.
Staffing
In terms of revenue (page 9) and program volumes (page 30), the brands that participated in this year’s survey appear to be slightly larger than those that participated last year. This also holds true for headcount, with 2018 seeing a larger percentage of brands indicating headcounts of 500+. Last year, only 42% of brands placed themselves in this category, versus 50% in 2018.

In a new question for 2018, we asked survey respondents to describe any contact center headcount changes that may have occurred over the previous year. A fast-growing contact center was the theme of the responses received, with headcount increases outnumbering decreases by nearly three-to-one.

A year after explosive growth in the percentage of brands conducting customer care engagements internally, results reverted, settling into a parity unseen in previous years. In fact, when compared to results from previous years, it appears as if brands are relying on third-party resources more than ever before. This finding is firmed up in results to a new question (below) in which brands were asked to share the ratio between internal and external contact center FTEs, which turned out to be a nearly even split.

What percentage of your organizations contact center FTEs are internal versus external?

Internal: 49%
External: 51%
The percentage of companies claiming a recent change in hiring requirements was steady year-over-year, though remaining elevated in comparison to 2015 and 2016. Among the changes noted by respondents is a desire for agents who are: multilingual, digitally savvy, better at critical thinking and problem solving and have more experience dealing with complex issues. The cause of these changes dealt mostly with overseas expansion and investment into new solutions that would divert more routine interactions.

In 2018, nearly 60% of survey respondents indicated that their programs included multichannel support agents. This result is the highest since the question was first asked in 2015. At the same time, the overall percentage of interactions crossing through multiple channels appeared to remain flat. When asked what percentage of interactions flow through multiple channels, the average of the responses received came to 31%, roughly in line with 2017.

In your estimation, which percentage of consumer interactions resulting in a resolution are conducted across multiple channels?

Multichannel agents continue to be common among survey respondents, with little change in channel coverage outside of a sizable uptick in the percentage of companies fielding cross-channel support agents for social media. In 2017, only 22% of survey respondents had agents that provided support for social media in addition to other channels. In 2018, that number increased by 16 points, up 73%.
As a customer experience professional, on which topics would you like more education and development?

Each year, survey respondents are asked which topics they would like to learn more about. As in past years, responses targeting technology were common; although this year, the focus was on AI-powered solutions like chatbots, as opposed to online chat or mobile solutions. Making better use of the data was a topic of great interest among 2018 survey respondents, as was tips on making cultural shifts, which was also mentioned a number of times. Outsourcing strategies (identifying the next hot location) was also touched on by several respondents. Below is a sampling of responses received:

“How to make the contact center a profitable source for the organization, in addition to managing the budget and cost of the contact centers.”

“Tools and technology.”

“Insight into other companies’ voice of customer efforts and key metrics around product quality.”

“Tools that enable more seamless customer interactions for ecommerce retailers.”

“Organizational and team development, including creating meaningful incentive and rewards programs, and learning about motivational topics and/or ideas to energize teams.”

“How to be consistent about supporting behavior change with General Data Protection Regulation (GDPR) and other privacy laws coming.”

“The CX organization of tomorrow. After omnichannel and AI, what are the next trends, what do customers want, and where will we need to focus?”

“How to apply the use of AI in CX, and how to tie QA scores together with CSAT scores.”

“Harvesting actionable insights from support interactions, and how to drive organizational change towards a more customer-centric culture.”

“Up and coming outsourced locations and flexible, agile sourcing.”

“Workflow automation and help determining where the customer is so we can support them.”
Technology
Use of integrated customer relationship management (CRM) systems hit a peak in 2018, with more than half (56%) of survey respondents indicating the use of such systems at their organizations. A shared CRM system can help bridge the gap between channels and, if correctly outfitted, provide agents with a superior view of the customer, including a history of interactions, agent notes and even details about which services and products the customer has used or owns.

In an open-ended question, survey respondents were asked to name the software they use for their primary CRM system. Salesforce proved to be the most popular (29%) CRM system, distantly followed by both Zendesk (12%) and self-developed systems (also 12%). Among the large pool of “Other” CRM systems, there were names like Microsoft Dynamics, Epicor, Epic, Acumatica and Unica.

When asked which emerging technologies were of the most interest or were carrying the most investment, chatbots and AI-powered solutions continued to garner the most attention, coming in at 43%. Although Big Data Utilization and Cross-Functional Data Sharing continued to have strong interest, Predictive Services proved to be a strong up-and-comer, jumping fourfold year-over-year, from three percent to 12%. Although still in its infancy, predictive services could redefine “customer ease” as brands solve issues before they become problems.

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Interest in AI and AI-powered customer care solutions has nearly doubled in the past 12 months. Based on 2018 survey results, the percentage of companies with an AI solution in place leapt from 17% to 30%, a 13-point shift that represents a 76% increase. There was also a dramatic drop in the percentage of brands that said “No,” but this is partially offset by the inclusion of a new answer option in “No, but Plan to Do So Soon.” Even with this new option, it’s clear that interest in AI is quickly accelerating.

As it turns out, among companies utilizing AI-powered solutions within their customer care operations, about half are using the technology in multiple areas of their business. Customer-facing chatbots, transactional support for agents and automation of back office tasks all figured prominently among the specific solutions cited by survey respondents. Below are some verbatim of the specific answers received to the open-ended question to the left.

“Agent assist, as well as a front end chat bot.”

“We have a data capture bot covering troubleshooting engagements in chat and SMS.”

“We utilize AI to service some simplistic contact types.”

“We’re looking to employ AI to assist agents in tag cases and identifying the next action to take.”

“Building a knowledge database internally that can eventually be outward facing to allow customers to find answers on their own.”

Among companies that have an AI-powered solution in place, 83% were able to report on a resolution rate for the solution. Of these, and with the “Don’t Knows” removed, 60% reported a resolution rate of 40% or better. Although it is still early for AI-powered solutions, these rates do not fair favorably against other channels.
At this stage in the technology’s development cycle, 57% of brands with an active AI-powered solution are delivering with the help of a third party. As one might guess and the data confirms, large technology firms are developing their own solutions in-house, while larger, diversified firms are developing solutions with the aid of third-party experts. As for the companies that are using third-party tools, these are typically small to midsize companies looking to explore the capabilities of AI-powered solutions without hefty investment.

When asked whether or not they were measuring quality for their customer-facing solution, 67% of the companies that were offering such a solution said “Yes.” Compared to quality coverage among individual channels, 67% is a lofty number. For the sake of comparison, only 28% of companies had a quality program in place for their Social Media Care channel, and only eight percent for Mobile Care. Traditional and Interactive Care came in at 79% and 51%, respectively.

In recently released CXMB Series Consumer Edition research, the majority of consumers continue to favor live interactions over automated interactions. Furthermore, consumers also continue to express concerns with getting instant and easy access to a live person. Therefore, it bodes well for the industry that 91% of organizations have seen to it that customers can easily navigate out of an AI-powered solution to reach a live person. There can be no doubt that such functionality is an expectation of consumers and one that can make or break the customer experience of even the most capable AI-powered solution.

When asked whether or not they were measuring quality for their AI-powered, customer-facing solution(s), 67% said “Yes.” Compared to quality coverage among individual channels, 67% is a lofty number. For the sake of comparison, only 28% of companies had a quality program in place for their Social Media Care channel, and only eight percent for Mobile Care. Traditional and Interactive Care came in at 79% and 51%, respectively.

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Looking ahead, survey respondents were asked to indicate which AI-powered application they were interested in for the future. Naturally, chatbots topped the list; but aside from chatbots — which have become the de facto face of AI — interest was strong and widespread. This bodes well for the technology, and it also means the pressure is on for existing AI implementations to deliver on the existing and lofty promise to bring value to the organization while also contributing to an improved customer experience.

Among brands that either had an existing AI-powered solution or had one in development, 74% had an in-house data science resource. An in-house data science resource can greatly reduce the runway on new AI-powered initiatives while also making it easier to do the sort of on-the-fly adjustments that are common in the space.

One-fifth of all brands with AI-powered solutions either in production or in late development had a dedicated budget. Interestingly, the brands with dedicated budgets were not the brands developing their own in-house solutions, but were those that were either developing a solution in partnership or were already using a third-party tool.

In a follow-up question, we asked the brands that had a specific AI budget in place to indicate how much of their overall budget was dedicated to AI. The average of the responses received came out to six percent.

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Does your organization have in-house data science resources?

Yes: 74%

Is there a certain percentage of your customer care budget that you are allocating to AI-powered solutions?

Yes: 20%
No: 62%
Don’t Know: 18%

What sorts of applications of AI is your company specifically interested in pursuing in the future? (Select all that apply)

- Chatbots: 80%
- Intelligent Automation: 56%
- Predictive Analytics: 51%
- Generation of Customer Insights: 49%
- Social Media Monitoring/Engagement: 44%
- Security/Fraud/Threat Detection: 41%
OPERATIONAL INSIGHTS — CONCLUSIONS

Key Findings:

- Survey respondents estimate that 64% of all engagements occur within their Traditional Care channel, down from an average of 72% over the previous three years. The benefactor of this change has been Interactive Care, which has risen to 25%, up from an average of 17% over the previous three years. (page 30)

- One in five brands say they are measuring the entire customer experience across all channels. (page 35)

- The percentage of brands measuring CSAT in their Interactive Care channel jumped to 68% in 2018, up from an average of 51% over the previous three years. (page 36)

- One in five brands that have deployed AI-powered solutions within their customer care business have a dedicated budget allocation for such activities, with an average allocation among respondents of 6%. (page 48)

If 2018 is an indication, channel traffic mix is quickly shifting away from Traditional Care and into Interactive Care. While this is good news for the bottom line, it creates a new impetus for how brands monitor and measure the customer experience. For many years, the level of monitoring within Interactive Care lagged behind the levels seen within Traditional Care. With the ongoing shift in traffic, brands will have to ramp up their monitoring of Interactive Care, as they apparently did in 2018 with 68% of brands measuring CSAT in the Interactive Care channel, up from 51% in 2017.

In 2019, AI-powered solutions will be turning the corner from exploratory projects to full-blown production environments. While not every organization is going to be on the leading edge, brands have to take care not to fall behind when it comes to this critical new technology. Many leading organizations have internal teams and dedicated budgets. Although this approach might not be the best fit for every organization, at the very least every brand should be dedicating resources to learning about the technology, including understanding both its capabilities and limitations.

Critical Questions Brands Should Be Asking Themselves

How has our channel traffic changed over the past several years, and what has been the impact on the customer experience?

Are we measuring the right things when customers interact with our channels, and are we doing so broadly enough to capture the entire customer experience, even as customers navigate across channels?

Compared to our competitors and the wider industry, are we where we need to be with the development and deployment of AI-powered solutions? Are we dedicating the right level of resources to this endeavor and to understanding the core technology?
Channel Results

- Traditional Care
- Interactive Care
- Social Media Care
- Mobile Care
Traditional Care
Beginning this year, all questions regarding channel priority have been restructured for greater granularity. Answer options that generalize have been removed, and the pool of possible responses has been expanded. This change applies to the priority questions for each of the four channels of care (Traditional, Interactive, Social Media and Mobile). That said, initial results from the newly revised question show that, when it comes to Traditional Care, respondents are focused on improving resolution rates (35%), followed by improving agent performance (30%) and expanding channel capability (23%). Traditional Care is also the only channel in which any respondents name Reduce Cost/Increase Revenue as a top priority.

Maturity level for Traditional Care took a strong year-over-year dip, with the shift occurring mostly as an exchange between “Very Mature” and “Somewhat Mature.” Even with the shift, Traditional Care continues to exhibit the highest level of maturity, with 76% of respondents naming themselves as either “Very Mature” or “Somewhat Mature.” To put these results in context, Interactive, Social Media and Mobile Care each come in at 26%, 32% and 24%, respectively.

Traditional Care traffic saw a sizeable increase year-over-year, with 47% of respondents indicating a volume increase compared to only 34% in 2017, a 13-point increase, or a rise of 38%. Comparatively, alternative channels continue to experience much greater growth than Traditional Care, with 69% of respondents indicating increased volumes for Interactive Care, 63% for Social Media and 50% for Mobile Care. Within Traditional Care, Email demonstrated the most dynamic growth, with increases out-pacing decreases by more than two to one.
By far, the most common model for Traditional Care staffing among this year’s survey respondents was Internal/Onshore. This model was claimed by five out of five respondents. Collectively, Internal models have an edge in popularity with Internal achieving a total of 115% versus External, which achieved a total of 88%. It is worth noting that, for this question, respondents selected all options that applied. Most respondents selected multiple options across the spectrum.

Over the past two years, about a third of brands indicated significant changes in their staffing. This is slightly below last year’s result but in line with consensus dating back to 2016.

The three biggest areas of Traditional Care staffing change for this year’s survey respondents (below) included increasing the number of FTEs and increased Outsourcing and Nearshoring. Work From Home also saw significant change, with increases outpacing decreases by more than three to one. Also worth noting is the steep decreases in Offshoring and Onshoring where, in both cases, decreases outpaced increases by more than two to one.
Interactive Care
The percentage of brands offering an Interactive Care solution edged up slightly year-over-year, resulting in a multiyear high at 76%. This number is expected to continue to grow as more companies explore and deploy AI-powered solutions, all of which fall into the category of Interactive Care support. Chatbots, for instance, are expected to be a very high-growth solution. As just one proof point, 80% of this year’s survey respondents indicated an interest in developing a chatbot solution in the future (page 48).

The story for Interactive Care solution availability is twofold in 2018. First, there was explosive growth in the percentage of brands offering Online Chat, jumping 20 points year-over-year. Second, Chatbot/AI Interface was added to the survey for the first time this year, and nearly 40% of survey respondents indicated the presence of such a solution, either as a pilot or in full production.

Among all channels, Interactive Care experienced the most widespread growth among survey respondents, with nearly 70% indicating growing volumes within the channel. This compares with 47% for Traditional Care, 63% for Social Media Care and 50% for Mobile Care. Not surprisingly, strong growth was found across all channels, with especially strong growth occurring in Self-Help Tools, which encompasses AI-powered solutions like chatbots. Such strength of growth is expected to continue as more (and more capable) AI-powered solutions come online.

\[92\% \quad 69\% \quad 67\%
\]

\[6% \quad 6% \quad 3%
\]

\[85\% \quad 61\% \quad 67\%
\]

\[71\% \quad 73\% \quad 90\%
\]

\[0% \quad 3% \quad 0%
\]

\[6% \quad 6% \quad 6%
\]

\[90% \quad 71% \quad 29%
\]

\[0% \quad 6% \quad 7%
\]

\[3% \quad 0% \quad 87%
\]

\[6% \quad 7% \quad 85%
\]

\[3% \quad 6% \quad 77%
\]
Like the priority question for Traditional Care (page 52), the priority question for Interactive Care has been tuned to avoid generalities and provide more clarity. In response, the bulk of survey respondents crowded into “Expand Capability” as their most pressing Interactive Care priority. This can easily be interpreted as expanded unassisted solution capability, although a fair number of brands might still be building out their online chat capabilities. Increase Resolution Rate also snagged the responses of about 1 in 5 survey participants.

Maturity within the Interactive Care channel increased in comparison to last year’s results, gaining ground in both the Somewhat Mature and Intermediate categories. While Interactive Care maturity (as measured by the percentage of brands answering “Very Mature” or “Somewhat Mature”) is not nearly as advanced as Traditional Care (at 80%), Interactive Care’s 26% is in line with Social Media Care (32%) and Mobile Care (24%).

In comparison to last year’s survey results, the importance of expanding and/or developing the Interactive Care channel took a giant step up in 2018. About one in five respondents described expansion/development of the channel as “A Top Priority,” while nearly two in five said expansion/development was “As Important or More Important Than Other Expansions.” This is almost certainly the result of growing interest in consumer-facing AI-powered solutions, all of which fall under the umbrella of Interactive Care.
Similar to Traditional Care (page 53), the most common staffing scenario for this year’s survey respondents is Internal/Onshore. In terms of collectively comparing Internal to External, 90% of respondents checked off an Internal scenario, versus 82% for External. It is worth bearing in mind that survey respondents were asked to select all the scenarios that apply across their business, so the majority of respondents selected two or more answers.

About one-third of survey respondents indicated significant staffing changes at their organization over the previous two years, with the bulk of the change concentrated in an increase in FTEs. There was also a uniform decrease in Onshoring, although changes elsewhere were, on the whole, fairly balanced between increases and decreases. As a channel of care, Interactive Care experienced a higher rate of significant change than any other alternative care channel.

Response times within Interactive Care solutions requiring human assistance spiked year-over-year, rising 28 points, an increase of 55%. Although the survey did not specifically reveal the cause of this dramatic change, one possible theory is the increase in responsiveness is due to the increased presence of chatbots. As unassisted solutions spread and get more proficient at handling a greater range of issues, human resources are freed up to be more responsive when issues require live assistance.
Social Media Care
Since 2015, CXMB Series results have shown a steady erosion in the percentage of brands that are taking a proactive approach to social media engagement. According to 2018 results, only one-third of brands that participated in the survey described their approach as proactive, down from two-thirds in 2015. Whether this is due to privacy concerns or shifts in strategy is unclear. What is clear, however, is that a proactive approach can create greater ease for customers while also helping brands maintain greater awareness of the issues affecting their customers.

Facebook and Twitter continue to dominate the mix of social media platforms where CXMB Series respondents provide engagement and customer care support. Forums/hosted communities and Pinterest/Instagram also figure prominently, with more than one-third of brands providing coverage on such platforms. Businesses should strive to meet their customers where they are. This means constant monitoring for new platforms, as well as keeping abreast of the platform preferences of their specific customers.

Social media traffic was up slightly in 2018. There was a four-point, year-over-year increase in the percentage of brands indicating an increase in volume over the previous year. Among all channels, only Interactive Care saw more widespread growth, with 69% of survey respondents indicating increased volumes. Meanwhile, Traditional and Mobile Care came in at 47% and 50%, respectively.
Like all other channels, the channel priority question (right) has been revised to reduce generalities and give greater resolution to what is driving channel strategy. For Social Media Care, Expanding Capability is the primary concern. This can be read as diversifying the variety of issues that can be handled by the channel. Consumers typically like to be serviced in their channel of choice. Given security, privacy and other concerns, social media, as a service channel, often makes end-to-end transactions a challenge.

For the first time since the question at left was first asked, answers indicating maturity outweigh those indicating newness. In 2018, 32% of respondents indicated they were “Very” or “Somewhat Mature.” This compares with 23% claiming “Somewhat” or “Very New.” In 2016, the same comparison was 20% versus 41%. Traditional Care is the only other channel in which maturity outweighs newness. Furthermore, among all alternative channels of care, the maturation level within Social Media Care is the highest.

For the first time since the question at left was first asked, answers indicating maturity outweigh those indicating newness. In 2018, 32% of respondents indicated they were “Very” or “Somewhat Mature.” This compares with 23% claiming “Somewhat” or “Very New.” In 2016, the same comparison was 20% versus 41%. Traditional Care is the only other channel in which maturity outweighs newness. Furthermore, among all alternative channels of care, the maturation level within Social Media Care is the highest.

The percentage of brands with a social media response team specifically for customer care remained in line with 2018 results, with a minor dip of three points. A customer care presence in social media is the norm in 2018 and is most certainly expected by the majority of consumers. For brands that do not yet have a customer care presence in social media they should take a close look at their competitors, and also poll their customers to gauge interest in the availability of such a service. It is likely such brands will discover that the absence of customer care for social media puts them at a distinct disadvantage.
Like all other channels in 2018, the most common arrangement for Social Media Care staff is Internal/Onshore. Unique to Social Media Care: when compared to other channels of care, Internal staffing outpaces External staffing by a far wider margin. While Internal to External ratio for Social Media Care is 3.5 to 1, it’s 1.5 to 1 for Traditional Care, 1 to 1 for Interactive Care and 2 to 1 for Mobile Care. This may be the result of social media engagement’s close ties with marketing, resulting in in-house agents.

Significant staffing changes within the Social Media channel hit a dataset low in 2018, with only 13% of respondents indicating meaningful change in the previous 24 months. All the changes that were seen also fell into only two buckets: Increased FTEs and Increased WFH options. While every company that experienced change acknowledged FTE growth as a part of that change, only one in five saw an increase in WFH options. So, while the overall change in the channel was fairly limited, it does tell a compelling story of growth.

Social Media Care response times held steady year-over-year, with marginal bumps in the two shortest response time buckets. Worth noting is the continued increase of respondents that do not know their response time. Brands should strive to understand this key performance indicator (KPI) as it is a significant factor in determining satisfaction with the channel and is accompanied by consumer expectations. In fact, in the recently released CXMB Series Consumer Edition report, nearly 60% of consumers said they expect a response to their social media inquiries in one hour or less.
The percentage of survey respondents providing Mobile Care support has remained remarkably consistent since 2016, hovering around 40%. On the other hand, the percentage of those offering a Mobile Care solution that requires human assistance leapt upward year-over-year. This is almost certainly the result of changes in the availability of select solutions, such as the increase in Mobile Chat and SMS/Text, as covered at the bottom of the page.

While the overall percentage of brands offering Mobile Care solutions was virtually unchanged year-over-year, there were steady increases across all solution types indicating brands are becoming more diversified in their Mobile Care offerings. Mobile Chat was the big winner in 2018, with a nine-point jump in the percentage of brands offering the solution. This marks the second straight year of strong gains for the solution. SMS/Text also experienced strong gains, up seven points. Mobile App also saw measurable gains with an increase of seven points, a rise of 35%.
While Mobile Apps remain the dominant solution in terms of investment, there has been a steady erosion of dollars pouring into apps since at least 2015. Much of the redirection of funds has benefited SMS/Text, which has doubled its position since 2015. Also of note: Within the “Other” bucket, Whatsapp is featured prominently.

The adoption of text-enabled 1-800 numbers reached an all-time low in 2018, with only three percent of survey respondents indicating that their 1-800 number was, in fact, text-enabled. Conversely, adoption of two-way SMS flourished in 2018, with more than one in five respondents saying their organization provided the service.

Among alternative channel solutions (Interactive, Social Media and Mobile), growth within the Mobile Care channel was the least widespread, with only 50% of brands indicating such. This compares with 63% for Social Media Care and 69% for Interactive Care. That said, there were no indicators of decreased volume, either for the channel as a whole or within any specific channel solution. This bodes well for the continued strength of the channel.
Expanding capability was a common theme for alternative channels in 2018, but nowhere more so than for Mobile Care. For Mobile Care, an expanded capability means greater functionality for mobile apps and the ability for mobile care agents (on mobile chat, for instance) to resolve a greater variety of issue types and provide end-to-end service.

Among all alternative channels, survey respondents continue to have the least amount of maturity within the Mobile Care channel. While the combined results of “Very Mature” and “Somewhat Mature” come in at 24% for Mobile Care, these same results come in at 26% for Interactive Care and 32% for Social Media Care.

The importance companies place on expanding and/or developing a Mobile Care channel found firmer footing in 2018 when compared to 2017. While previous years saw larger responses in the two highest priority buckets (A Top Priority and As Important or More Important Than Other Expansions), the percentage of respondents placing some level of importance on Mobile Care expansion reached an all-time high at 87%.
Internal/Onshore proved to be the most common staffing arrangement for the Mobile Care channel in 2018, with roughly four out of five survey respondents naming it as one of their staffing scenarios. This pattern also held true for all other channels. Furthermore, Internal staffing out-ranked External staffing within the Mobile Care channel by roughly two to one.

Significant staffing changes within the Mobile Care channel increased greatly year-over-year, jumping by nine points, or an increase of 150%. Of all the brands indicating change over the past 24 months, each one named increased FTEs as a part of the change. Outsourcing was also indicated by two-thirds of respondents, as was Offshoring and Onshoring.

Has the staffing of your company's Mobile Care channel changed in a significant way over the past 24 months?

2018 — Yes: 15%
2017 — Yes: 6%
2016 — Yes: 13%
2015 — Yes: 21%

For Mobile Care solutions that require human assistance, on average, how long does it take for your customers to receive a response?

Mobile Care response times (those requiring human assistance) improved drastically year-over-year, with 71% of survey respondents indicating a response time of ten minutes or less. Furthermore, response times of “4-8 Hours” and “More Than 8 Hours” continue to be zeroed out, and “1-4 Hours” was also zeroed out in 2018. These results actually exceed consumer expectations. According to recently released CXMB Series Consumer Edition results, only 54% of consumers expect a Mobile Care response within 10 minutes.
Consumer Edition Comparisons
Over the past three years, the self-assessment of brands on their ability to deliver against customer needs and expectations has floated ever higher. At the same time, consumer opinion on the topic has been flat to slightly down. Certainly there is some level of bias in the consumer results (negative experiences tend to overshadow positive experiences), but the fact remains that brands continue to over-score their performance in comparison to consumer opinion. Although the gap has closed since 2015, brands can't become complacent in their efforts to understand their performance from their customers' viewpoint. Identifying pain points and points of failure must remain a focal point if brands have any hope of further closing the gap.

**2018 CXMB SERIES CORPORATE EDITION RESULT**

Do you feel your customer care organization is generally meeting the needs and expectations of your customers?

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>79</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>81</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>88</td>
<td></td>
</tr>
</tbody>
</table>

**2018 CXMB SERIES CONSUMER EDITION RESULT**

Do you feel the customer care departments of today's companies are generally meeting your customer service needs and expectations?

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>22</td>
</tr>
<tr>
<td>2015</td>
<td>33</td>
</tr>
<tr>
<td>2016</td>
<td>41</td>
</tr>
<tr>
<td>2017</td>
<td>40</td>
</tr>
<tr>
<td>2018</td>
<td>39</td>
</tr>
</tbody>
</table>
THE DRIVE FOR GREATER CONSISTENCY
Consumer Edition Comparisons

In 2018, only 11% of CXMB Series Corporate Edition respondents felt their organizations were doing a good job of providing consistency across channels. Additionally, 55% felt they were doing somewhat of a good job. Consumers, for their part, seem to confirm this assessment. Fifty-one percent of consumer survey respondents indicated that they had a consistent experience across all channels. And while there is agreement between both parties, brands ought to not only understand cross-channel inconsistency as a failure, but also be actively working toward addressing the situation, and with urgency. This is especially true given the growing frequency of cross-channel engagements, particularly when it comes to complex issues.

2018 CXMB SERIES CORPORATE EDITION RESULT

Do you feel that your organization does a good job of providing a consistent customer experience when your customers engage your brand across different channels and solutions?

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26%</td>
<td>39%</td>
</tr>
<tr>
<td>Somewhat</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>No</td>
<td>25%</td>
<td>34%</td>
</tr>
</tbody>
</table>

2018 CXMB SERIES CONSUMER EDITION RESULT

Was your interaction with customer care consistent across all channels?

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>53%</td>
<td>53%</td>
<td>51%</td>
</tr>
<tr>
<td>No</td>
<td>47%</td>
<td>47%</td>
<td>49%</td>
</tr>
</tbody>
</table>
Generally speaking, FCR took a turn for the better in 2018. Along with companies reporting higher FCR rates within their alternative channels, consumer opinion appeared to reflect the change. Year-over-year, there was a 13-point spike in the percentage of consumers that said they "Always" or "Often" receive a resolution to their issue during the first instance of contacting a company's customer care department. Although this is good news and a step in the right direction, improving FCR should remain a priority across all channels as quick resolutions often result in higher levels of customer satisfaction.

### 2018 CXMB SERIES CORPORATE EDITION RESULT

How often does your organization resolve an issue during the first instance of connecting with the customer?

![Chart showing FCR improvement over years for corporate edition.]

### 2018 CXMB SERIES CONSUMER EDITION RESULT

How often are your customer care issues resolved during the first instance of contacting a company's customer care department?

![Chart showing FCR improvement over years for consumer edition.]

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Although customer-facing, AI-powered solutions are in their infancy, brands are hawkish in monitoring and measuring these new solutions. While it’s true that there is plenty of work to be done in bringing the resolution rates of unassisted channels up to those of Traditional Care (and even multichannel), the rates reported by brands appear to be rather consistent with those reported by consumers. Moving forward, the challenge will be to ramp up the capabilities of unassisted solutions, enabling them to handle ever more complex issue types. This should allow consumers to receive end-to-end service without ever having to jump channels or reach out for live assistance. Ideally, brands will need to accomplish this while also improving resolution rates.

**2018 CXMB SERIES CORPORATE EDITION RESULT**

| What is your resolution rate for AI-powered customer-facing solution(s)? |
|---|---|---|---|
| Above 70% | 33% | 33% | 17% |
| 40%-70% | 17% | |
| Below 40% | 17% |
| Don’t Know | |

**2018 CXMB SERIES CONSUMER EDITION RESULT**

Percentage of consumers who were able to ultimately resolve their issue using an unassisted solution.

Yes: 57%
Although FCR appears to be improving (page 70), the results below demonstrate exactly how much more work remains, especially as it applies to alternative channels. Among Interactive and Mobile Care channel users, roughly 40% were disappointed by the fact that they were unable to resolve their issue in their alternative channel of choice. This finding is further magnified by the fact that only 51% have specific initiatives to increase the resolution capabilities of alternative channels. Brands need to appreciate the fact that alternative channels are (and have been) mainstream, and they deserve resolution capabilities that are comparable to Traditional Care solutions.

### 2018 CXMB SERIES CORPORATE EDITION RESULT

Does your organization have any specific initiatives to increase the resolution capabilities of alternative channels (i.e., Interactive Care, Social Media Care and Mobile Care)?

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes</th>
<th>No</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>50%</td>
<td>37%</td>
<td>13%</td>
</tr>
<tr>
<td>2018</td>
<td>51%</td>
<td>40%</td>
<td>9%</td>
</tr>
</tbody>
</table>

2017 2018

### 2018 CXMB SERIES CONSUMER EDITION RESULT

Percentage of alternative channel users who were disappointed by the process because they had to resolve the issue outside of their channel of choice.

<table>
<thead>
<tr>
<th>Year</th>
<th>Interactive Care Users</th>
<th>Social Media Care Users</th>
<th>Mobile Care Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>42%</td>
<td>41%</td>
<td>41%</td>
</tr>
<tr>
<td>2017</td>
<td>36%</td>
<td>26%</td>
<td>41%</td>
</tr>
<tr>
<td>2018</td>
<td>41%</td>
<td>25%</td>
<td>40%</td>
</tr>
</tbody>
</table>
The percentage of brands proactively searching for and addressing customer care issues via social media has been halved since 2015. The decline has been relentless, with most of the change falling toward reactive engagement. At the same time, consumers have been consistent in their acceptance of a proactive approach to customer care on social media, with an average of 54% of consumers calling a proactive approach "appropriate" over the past three years. Furthermore, in 2018, 79% of consumers said they'd have a neutral or improved opinion of a brand if that brand proactively reached out to them to resolve an issue via social media. For brands pulling back on social media support, these results should provide ample reason for a pause.

### 2018 CXMB SERIES CORPORATE EDITION RESULT

**How would you describe your company's overall approach to social media?**

<table>
<thead>
<tr>
<th>Approach</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reactively Engaging</td>
<td>17%</td>
<td>29%</td>
<td>45.5%</td>
<td>52%</td>
</tr>
<tr>
<td>Proactively And Reactively</td>
<td>45.5%</td>
<td>34%</td>
<td>59%</td>
<td>66%</td>
</tr>
<tr>
<td>Engaging</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Listening Only</td>
<td>5%</td>
<td>4%</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Still Determining Approach</td>
<td>12%</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

### 2018 CXMB SERIES CONSUMER EDITION RESULT

**Do you think it's appropriate for brands to proactively reach out to consumers on social media to assist with customer issues?**

- 2018 — Yes: 53%
- 2017 — Yes: 55%
- 2016 — Yes: 53%
The 2018 Corporate Edition of the Customer Experience Management Benchmark Series was developed using the results of a custom online survey. Consisting of 128 questions, the survey was privately and exclusively solicited by email invitation. These invites targeted individuals responsible for managing the customer experience and customer care programs of large B2C and B2C/B2B organizations in the U.S. and Canada, with the majority of survey participants holding the title of Vice President or higher. Survey answers were gathered from October 1 through November 19, 2018.
ABOUT THE STUDY’S AUTHORS

For over 20 years, Execs In The Know has been building a reputation of excellence in the Customer Management Industry, and a worldwide community of over 50,000 Customer Experience Professionals. Execs In The Know connects people to engaging industry content, thought leadership, current trends, peer-to-peer collaboration, networking and industry employment opportunities. Examples of this can be seen at their Customer Response Summit events, roadshows, webinars, workshops, Blog Talk Radio segments, Industry Benchmarking Series, blogs, thought papers and social communities.

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2017 Consumer Edition

2017 Corporate Edition

2018 Consumer Edition