



CallMiner **CX** 2023

Landscape Report



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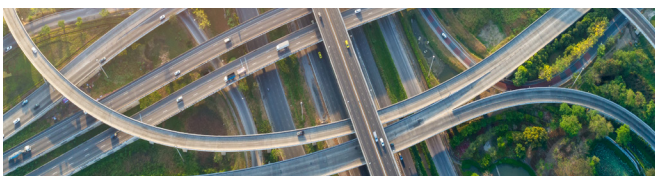
Lifting the lid on the CX industry to understand how today's organisations are collecting and acting on customer data to effectively overcome challenges, maximise opportunities to deliver better experiences, and ultimately drive improved business outcomes enterprise-wide.

Introduction: An evolving CX landscape

2023 was arguably the first full post-pandemic year – and with that, we saw certain things return to “normal.” Travelling increased, many of us spent more time at the office, face-to-face commerce no longer took place through protective masks, and more. Yet, there were many challenges that either emerged or persisted. Inflation continued to swell, with only recent, partial relief. Economic uncertainty and a global cost-of-living crisis have been top of mind for both individuals and organisations. Just as many individuals have had to cut back or rethink their spending, so have organisations. Despite improvements to the labour market, many companies have instituted spending freezes or budget cuts – from hiring new employees to investing in new technology – until they get a clearer picture of the global economy's future.

However, there is one thing these trends haven't impacted: the expectations that customers have of the organisations they engage with and buy from.

Building on learnings in our 2022 CX Landscape Report, this year's report exposes similarities in how organisations approach customer experience (CX) and employee experience (EX) data collection and initiatives. It also looks at where they might be falling short and where more should be done to maximise effectiveness.



Core to this year's findings are the following observations:

- **Cost savings and efficiencies are big drivers for organisations choosing technological investments, as they strive to do more with less.**
- **As seen last year, digital transformation has led to a wealth of CX data at organisations' fingertips, but it is often not applied to their best advantage.**
- **Internally, organisations are struggling to communicate effectively cross-team, which is inhibiting CX application and processes.**

Further, it wouldn't be a report in 2023 without a look at artificial intelligence (AI) and generative AI. When ChatGPT first emerged, there was an accelerated hype cycle and learning curve for businesses and end users alike. Consumers wanted to interact with it and organisations wanted to know how the underlying technology could help their businesses. And while there is no denying that AI will have a profound and lasting impact on the workforce, our data reveals some interesting juxtapositions in terms of CX and contact centre decision makers' opinions when it comes to AI in general.

They firmly believe AI will be important for how organisations approach CX in the future, yet there are real fears about various risks for its application. Also, while these leaders are intending to invest in certain AI technologies over the next year, there is a severe lack of understanding surrounding which technologies will prove most beneficial to their organisation and CX strategies in the longer term.

Other observations include:

- **AI has the potential to increase KPIs and unlock barriers to superior CX data usage (if applied correctly with the proper safeguards / planning).**
- **At the same time, organisations must automate with guardrails, given that human empathy still needs to be at the forefront of call centre conduct – both as a way of serving customers and supporting staff.**

Read on for more details, along with country and sector-specific spotlights covering healthcare, financial services, technology, and retail.

Key Findings

- Half (49%) of surveyed senior CX and contact centre decision makers firmly believe that AI technologies will help them achieve greater efficiency to optimise their CX strategy when under financial strain; 45% strongly agree that they want their organisation to do more with fewer resources in the current economy.
- While there has been a positive shift towards organisations collecting more unsolicited CX / satisfaction feedback in the last year, most still collect more solicited than unsolicited feedback (71% vs 79% in 2022).
- Top three challenges facing contact centre leaders include: understanding customer vulnerability due to health, caregiver or financial reasons (39%); combating customer service rep disengagement / lack of productivity (37%); and increased customer impatience (32%).
- Half of organisations (50%) lack effective communication between departments when aligning on CX data / feedback, which is limiting the success of CX data utilisation. Another notable barrier for effective collaboration includes a lack of clarity on how to act on data insights (43%).
- Despite regularly sharing CX and satisfaction metric reports with organisations' boards, 84% believe that leadership's use of this data should be improved. In fact, within the technology sector, a fifth (21%) claim that a complete overhaul is needed because executives / the board are not using it at all.
- A third (33%) of respondents believe the adoption of AI will become critical to how their organisation approaches CX in the future.
- Having said this, top fears surrounding the implementation of AI technology in CX or customer service use cases include: exposing the company to security and / or compliance risks (45%); spreading misinformation (43%); and giving biased, discriminatory or inappropriate responses to customers (41%).
- While 47% strongly agree that digital transformation has unlocked a wealth of data for CX teams, more than two-thirds (68%) say this data is often not harnessed to their organisation's best advantage.
- Among those whose organisation at least has plans to implement AI, 44% are / expect to be unsure of what type of AI technology best meets their business needs when collecting and analysing CX / satisfaction data.



Section 1: CX data collection, usage, and trends

The current economic climate is paramount to properly understanding today's CX landscape. We know that unique factors, such as inflation, are causing financial hardship and prudence, and that this is impacting consumer behaviour. Customers (like organisations) are being forced to do more with less – therefore, CX departments and contact centres need to be mindful of these factors when analysing customer trends, executing customer service, and delivering the outcomes customers demand.

CX collection and usage

One positive trend we found looking at comparative data from last year is that more organisations are now focusing on unsolicited feedback, which is feedback that customers give during unprompted interactions, such as voice or text-based conversations with a customer service centre.

Even though most of the customer feedback being collected is still solicited, the proportion of organisations collecting only solicited feedback has fallen from 79% to 71% this year. This suggests that more organisations understand the power of unsolicited data, especially when it is collected alongside solicited data, such as customer surveys. While some organisations are diversifying the type of data they collect, even more needs to be done to develop a fully balanced picture of solicited and unsolicited feedback.

Proportion of solicited versus unsolicited CX/ satisfaction feedback collected

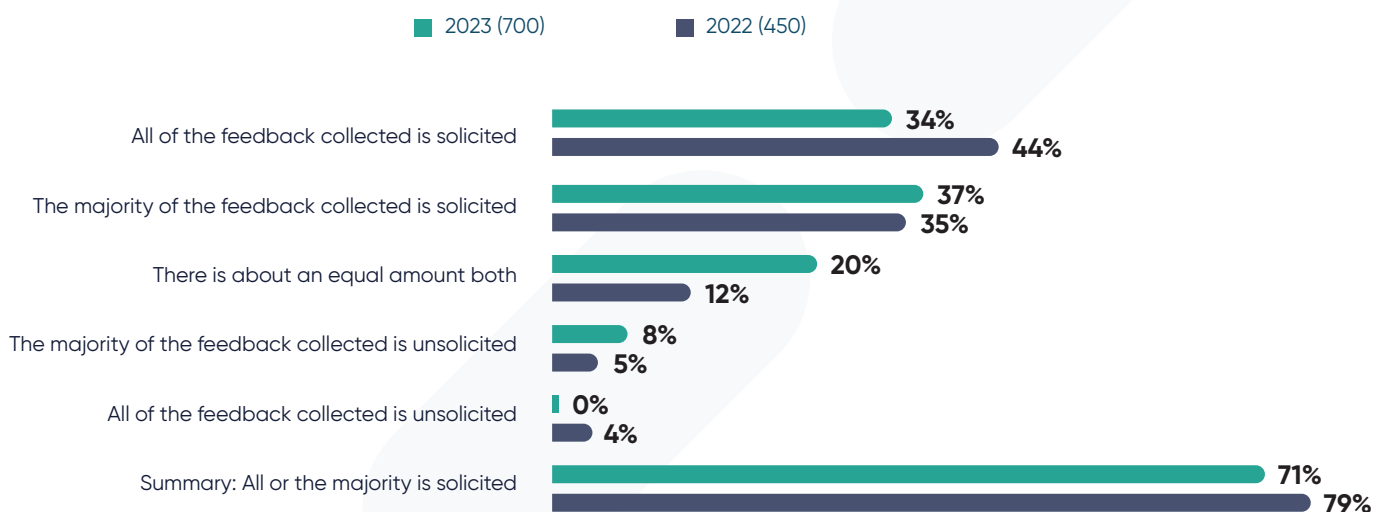


Figure 1: Which of the following best describes the combination of solicited and unsolicited feedback that your organisation collects from customers on their experience/ satisfaction? If organisation collects CX / satisfaction data [Base shown on chart]

Further, when considering how manual or automated the processes organisations use to analyse CX satisfaction data, there is slightly greater emphasis, at an overall level, on automated (55%) versus manual (45%) tasks, but not by much. A lack of automation in baseline contact centre operations, such as quality assurance (QA), may cause organisations to miss out on data-driven agent feedback or performance improvement opportunities, or fall short of meeting key compliance outcomes.

The data also shows that organisations with greater levels of automated customer data analysis are more able to use the data to make business decisions (61% vs 51% in organisations where processes are more manual). They are also less likely to face challenges when it comes to aligning on their CX data / feedback. The proportion of organisations struggling to align on strategic goals is lower where processes are more automated compared to manual (33% vs 38%). Additionally, they encounter fewer issues sharing data seamlessly (37% vs 42%).

Sector spotlight

Organisations in the technology sector have embraced automated processes for CX / satisfaction data analysis, with their approach leaning more decisively towards automated (72% say their processes are mostly automated) rather than manual (28%). By contrast, only 48% of healthcare, 50% of financial services, and 52% of all retail organisations say their processes are mostly automated.

When we think about the reasons for this, it may be that certain organisations are struggling due to the complexity of regulatory or compliance requirements in their given industry. However, it is heavily regulated industries that stand to benefit from the automation and analysis of 100% of their customer conversations.

When it comes to solicited versus unsolicited feedback, technology companies have the most emphasis on solicited feedback, with 78% of organisations in this sector collecting mostly this kind of data, followed closely by healthcare (74%), and retail (73%). Financial services organisations collect the least (62% solicited) – likely driven by the different types of interactions customers have within these industries.

Technology organisations are also the least likely to use CX / satisfaction data / feedback to make data-driven business decisions (49%), or to uncover customer trends (35%). This highlights a major gap between simply collecting data and applying this feedback directly toward business and / or customer outcomes. No matter how much automation and data collection takes place, it can only ever be as useful as the outputs and decisions it informs.

What organisations do with CX data/ feedback once collected

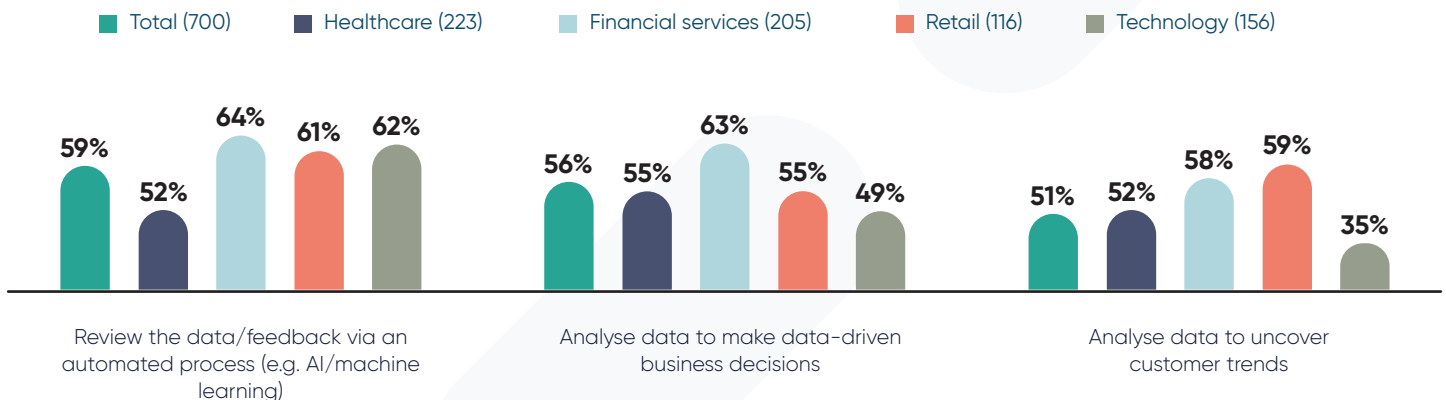


Figure 2: What does your organisation do with customer data/ feedback once it's collected? If collects CX / satisfaction data [Base shown on chart] Omitting some answer options.

CX challenges

We asked decision makers in contact centre and CX departments to identify the biggest challenges regarding CX over the past year. Of those answers most often ranked first, customer vulnerability due to health, caregiver or financial reasons was among the top three for 39% of respondents, followed by combatting customer service rep disengagement / lack of productivity (37%).

Increased customer impatience was also cited among the top by almost a third (32%), proving that customer hardships have continued to be a central and ongoing issue facing contact centre staff. Overall, contact centres are contending with more complex customer interactions. To be successful with these complex cases, agents must deliver superior support, while supervisors must provide relevant feedback and coaching to develop agents' skills.

We saw this trend emerge last year in the aftermath of the pandemic, but it is clear customers still require support in two of these areas. Either macroeconomic pressures remain across the globe, or customers have become accustomed to a certain level of support, setting a new standard for service. Customer impatience was less often cited among organisations using AI at least to some extent (30%), versus those who don't (39%), demonstrating that these technologies are helping create a smoother CX.

To push the point even further, customer vulnerability is more likely to be on the radar for organisations using AI (41% vs 29% if they aren't), suggesting these companies are using (or attempting to use) the technology to more effectively identify the customers who might need additional support.

Section 2: Departmental discord: An inhibitor to effective CX and EX

We've discussed the importance of effectively collecting and analysing the right customer data. However, internal cross-team collaboration is equally vital. We interviewed many decision makers whose organisation's CX department is independent of other parts of the business, creating real and significant communication siloes. Lack of a shared vision or values across an organisation makes it harder to execute key initiatives (CX or otherwise), leverage customer feedback for business improvements, and experience the benefits of technology investments enterprise-wide.

Half of organisations (50%) lack effective communication between departments when it comes to aligning on CX data / feedback.

This issue is more pronounced at organisations with an independent CX department (51%), while still being common among those without (43%). Other challenges include a lack of clarity on how to act on data insights (43% of all organisations experience this), lack of understanding on how to analyse data (42%), and an inability to share data seamlessly (40%).

Additionally, while organisations still regularly share CX and satisfaction metric reports with their board (60% do so monthly or more frequently), 84% believe that the board's use of this data should be improved. Regardless of how frequently reports occur, improving communication between teams and more effectively using customer data is critical.

Proportion of solicited versus unsolicited CX/ satisfaction feedback collected



Figure 3: What challenges does your organisation experience when it comes to aligning on customer experience (CX) data/ feedback across different departments? [700] Omitting some answer options.

Extent to which the board's use of CX and satisfaction data needs improvement

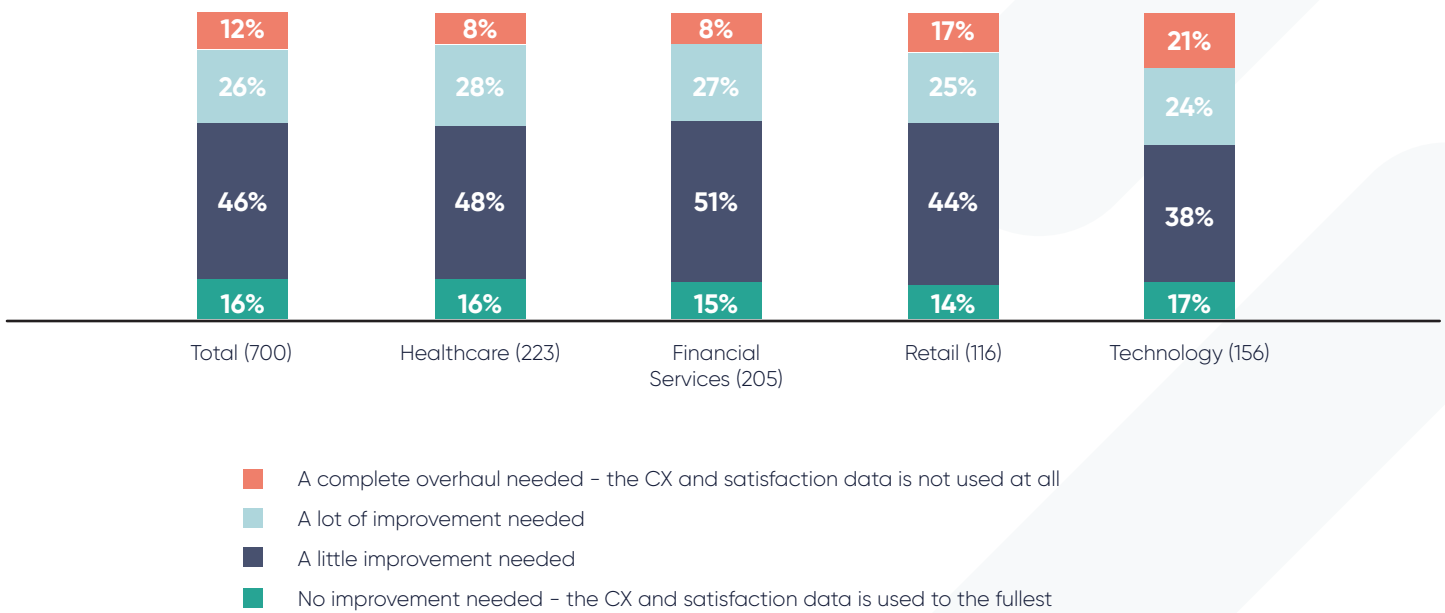


Figure 4: To what extent, if at all, should the board / leadership team's use of this information be improved when making business decisions? [Base shown on chart]

Using CX data to improve employee performance

As we learned in last year's report, nearly all organisations (99%) believe EX is at least somewhat important to the success of CX. This year, we wanted to understand further how organisations are translating customer data and insights into tangible action that improves employee performance and satisfaction, such as those employees in customer service centres. It turns out, there is still a lot of work to do.

Only around a third (35%) of organisations surveyed offer regular group training and retraining for their employees, and less than a fifth (18%) carry out tailored 1:1 coaching. Application of relevant training could help align on organisational expectations of employees, as would a more streamlined system for delivering effective feedback to frontline employees (which 33% currently struggle to do). Further, training and coaching can reduce attrition and related costs associated with backfilling positions, as well as improve job satisfaction for employees.

Country spotlight

The application of tailored 1:1 coaching for frontline contact centre staff varies greatly by country. It is less likely to occur in the UK / Ireland (10%) and the US (12%) compared with France (27%) and Germany (28%). Germany is also most likely to claim unbiased (AI-driven) scoring of customer interactions and agent performance (52% vs an overall average of 39%), but is less capable of providing effective real-time guidance during customer interactions (35% vs overall average of 49%). The UK / Ireland are also least likely to be doing regular group training and retraining (22% vs cross-country average of 35%), showing that they are behind the curve in these components of EX.

Steps organisations are taking to ensure that EX is having a positive impact on CX



Figure 5: What is your organisation doing to ensure that frontline employee experience (EX) is having a positive impact on customer experience (CX)? [700] Omitting some answer options.

Section 3: AI tech is trending, but is your business approaching it correctly?

We've seen how AI is helping organisations be more in-tune with customer hardships, and to help reduce customer impatience. That said, there are so many different types of AI technology, and simply opting to invest in AI isn't enough to ensure it's being used in a way that delivers the most value to your organisation.

AI can be a great tool if it is harnessed appropriately, and the findings in this report validate that. However, there are still challenges to consider when investing, implementing, and committing resources (human and monetary) to AI.

Current AI adoption and looking ahead

Seventy-one percent of organisations (or approaching three quarters) are now using AI at least to some extent, which is the same proportion as last year. Some differences year over year arise when we look at those who claim to be in the early stages of implementation for AI (but not yet using it), which has fallen from 21% in 2022 to 14% this year.

Because there are fewer organisations claiming to have started implementing AI this year, it could be that organisations who said they were in the early stages of their AI journey in our 2022 survey have taken a step back after realising their infrastructure can't yet support their ambitious AI plans. Further, recent AI developments may well have made organisations reassess their true "maturity" as self-assessed benchmarks for AI-usage increase.

With this advancing maturity benchmark, it's not entirely surprising that AI has strong links to CX, with almost all (99%) saying the adoption of these technologies will become important for how their organisation approaches CX (the same as last year). However, expectations have again been tempered, with the proportion saying it will become critical dropping from 45% in 2022, to 33% in 2023.

While AI is still believed to be capable of delivering tangible business benefits, the challenges and necessity of various guardrails have become clearer.

Contact centre and CX department decision makers' biggest fears for implementing AI in CX or customer service use cases include exposing their company to security and / or compliance risks (45%); spreading misinformation (43%); giving biased, discriminatory, or inappropriate responses to customers (41%); and risking brand reputation or damaging reputation with customers (39%). Only 6% of respondents say they have no fears around AI.

Despite the initial hype around AI technologies, such as generative AI, more organisations are taking time to consider proper application and safeguards.

Organisations biggest fears around implementing AI in CX or customer service use cases



Figure 6: What are your own biggest fears around implementing artificial intelligence (AI) in customer experience or customer service use cases? [700]

Regardless of reservations, with practically all organisations (100%) at least intending to invest in AI, the opportunities of these technologies are clearly significant. Regarding these opportunities, some interesting trends emerge when we compare experienced benefits versus perceived benefits.

Among organisations not yet using, but planning to implement AI, main benefits include the ability to collect and / or analyse CX / satisfaction data at scale (31%) or execute real-time guidance during customer interactions (30%). These aspects each drop to 25% among organisations already applying AI. On the other hand, those who have already implemented AI see greater value in being able to identify trends or issues across the organisations' customer base, such as emotion or sentiment (34% vs 19% of those not yet using AI).

We believe this showcases the progression of organisations from the planning phase (when they tend to focus on quick wins to get easy returns on their investment), as they are now unearthing AI's deeper business potential.

It is a valid approach to have initial goals on how AI will lead to short-term efficiencies and cost savings, but also important that organisations are considering their long-term strategies related to AI, such as putting their business in a better position compared to the competition (26% for those using AI vs 19% planning to). Moreover, the proportion of organisations struggling to make data-driven decisions as a result of not collecting enough CX data gradually falls from 37% in the early stages of AI implementation to 35% at partial implementation, and finally 32% when used extensively. These results indicate that it does, in fact, become easier to make data-driven decisions as an organisation's AI maturity increases.

There may still be missed opportunities for those starting their AI journey too. One example is using AI to help adhere to compliance regulations, which often delivers immediate cost savings and ROI. Currently, only 28% of organisations planning to use AI and only 26% of organisations already using AI have intentions to use the technology for compliance purposes. This could expose their organisations to unnecessary risk and potential financial loss.

Expected benefits from using AI for CX collection/ analysis

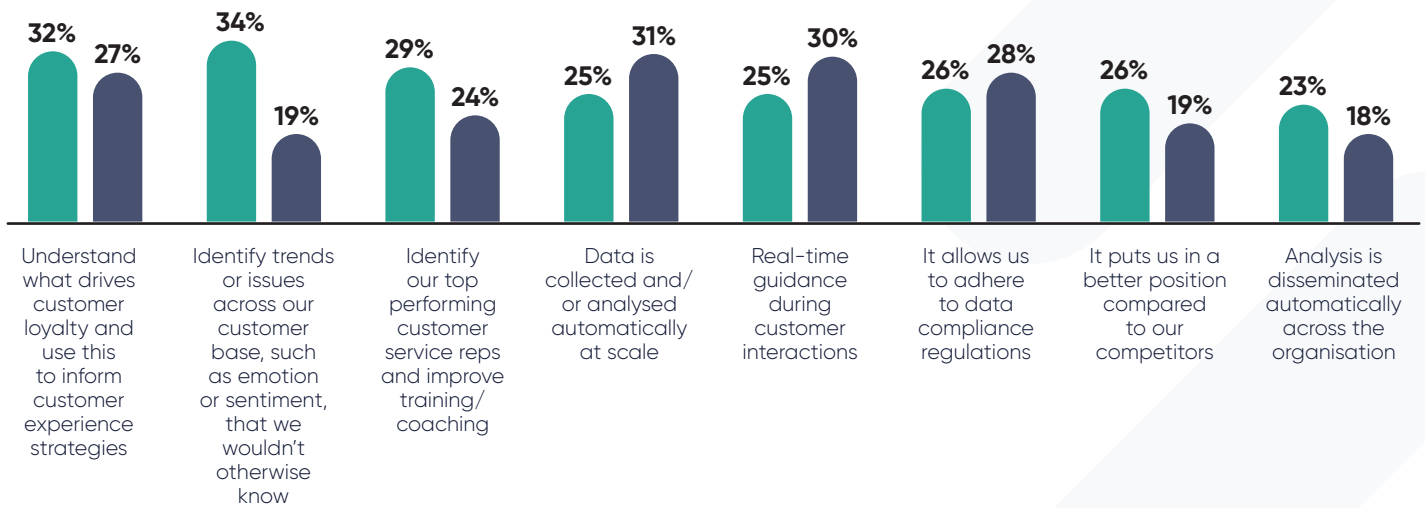


Figure 7: Which of the following benefits has your organisation experienced/ would your organisation expect to experience by using Artificial Intelligence (AI) to collect and analyse data about customer experience and satisfaction? If organisation does or plans to use AI [Bases shown on chart] Omitting some answer options

Lacking clarity for how AI will shape CX

Nearly half (47%) of respondents strongly agree that digital transformation at their organisation has led to a wealth of data for them and their CX team. Still, more than three in ten (31%) agree strongly that their organisation often doesn't utilise CX data as effectively as they could. Digital transformation is a broad topic, and we have already seen the pitfalls of not using automation strategically enough. But, there is no doubt that AI is also going to be a big part of organisations' digital transformation efforts moving forward, so it makes sense to also explore this juxtaposition within the context of AI.

Over the next 12 months, 43% of organisations intend to invest in generative AI-powered solutions, while 34% plan to invest in conversation intelligence platforms. It is worth noting that technologies with smaller projected investments may already be adopted by organisations with higher maturity levels. While this is a possibility, it's still worth considering whether these choices are based on well-informed strategies or current industry hype.

Technology solutions organisations plan to invest in over the next twelve months for CX purposes

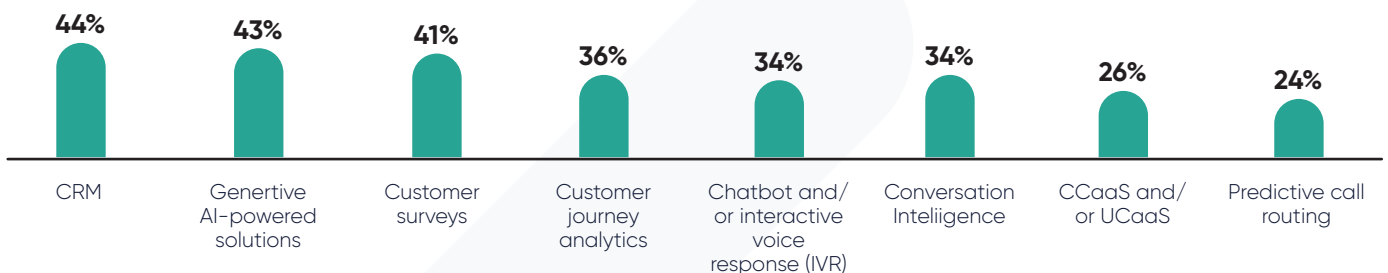


Figure 8: Which technology solutions does your organisation have plans to invest in over the next 12 months when it comes to customer experience (CX)? [700] Omitting some answer options

The main challenge anticipated for using AI to collect and analyse data about CX and customer satisfaction is not knowing what type of technology will best meet business needs (44%). These CX and contact centre decision makers admit they lack knowledge for how AI technologies could benefit their organisation.

Further, there is little difference between how organisations expect to leverage AI to improve CX today and in the next 1-3 years. Despite a decreasing percentage of respondents who feel AI technologies are too complex for them to implement (41% last year vs 31% this year), organisations are still challenged to know where to focus their efforts.

A similar number of organisations are expecting to leverage AI in the next 1-3 years for automating repetitive tasks for employees (35%), uncovering previously unknown customer trends (33%), and automating quality assurance (32%).

But technology investments should connect to key use cases (both current and longer term) that complement and enhance wider CX strategies. Immediate AI benefits need to be balanced with long-term strategies and business goals. To do this, decision makers should take time to evaluate new technologies before investment and implementation.

How organisations expect to leverage the benefits of AI to improve CX

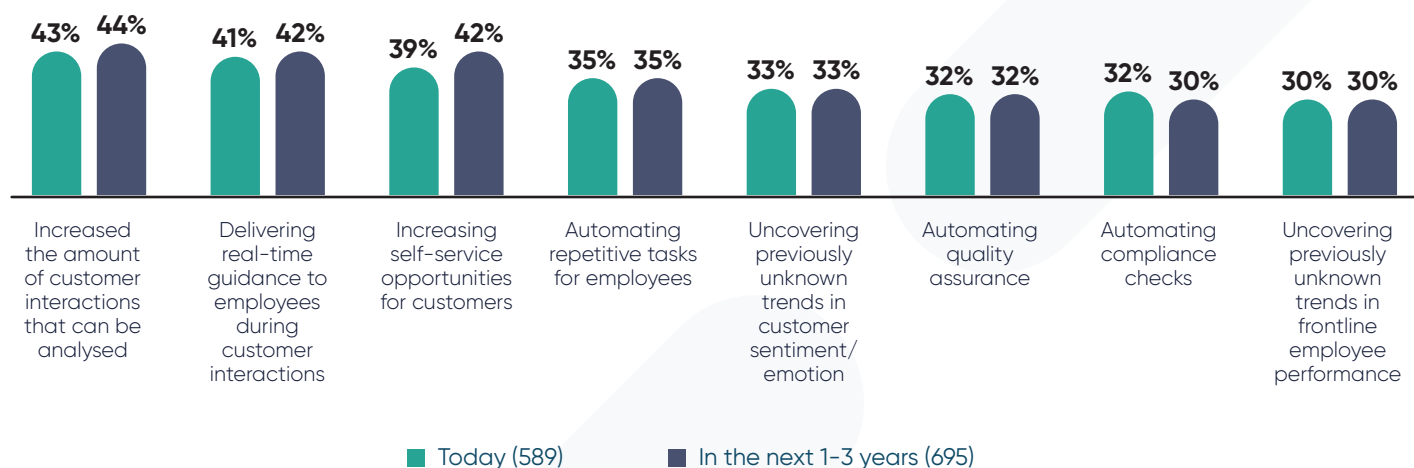


Figure 9: How is your organisation expecting to leverage the benefits of AI to improve customer experience currently/ in the next 1-3 years? If using AI/ at least has plans for AI [Bases shown on chart]

Country and sector spotlights

In Germany, organisations are currently concentrating less on increasing the amount of customer interactions that can be analysed (32% compared to an overall average of 43%) and more on automating quality assurance (44%). UK / Ireland is on the opposite end of the spectrum with only 22% focusing on automating quality assurance. That said, organisations in the UK / Ireland are most likely to be working on delivering real-time guidance to employees during customer interactions (54%).

Financial services organisations are currently focusing more on automating repetitive tasks for employees (46% compared to an overall average of 35%), while retail is the least likely to be leveraging AI to uncover previously unknown trends in customer sentiment / emotion (22% compared to 33% on average across all sectors). Whereas retail has the greatest uptake in using AI to increase self-service opportunities for customers (48%), healthcare and financial services have the next highest (41% respectively). On the other hand, only a quarter (26%) of technology organisations are doing this.

Conclusion

While 2023 may have marked an increased return to “normalcy,” there are some things, such as customer expectations around support and CX, that will never fully be the same. And post-pandemic business leaders now find themselves at a pivotal moment; increasing economic uncertainty has fuelled the need for greater data-driven decision making as organisations are forced to do more with less. Additionally, emerging technologies like generative AI have added only more data, complexity, and nuances to all aspects of business – especially customer service and CX.

To positively impact CX, organisations must take the data they have and translate it into action – whether that’s making meaningful changes to employee coaching and training or improving processes to drive better customer outcomes. Customer expectations increased during the pandemic, and that new level of service and empathy expected from the brands they engage with, including contact centre agents, is here to stay.

For long-term business success, now is the time for contact centre and CX leaders to harness technology and strategies that will assist in unlocking customer and employee insights, and using those insights to make data-driven decisions enterprise-wide.

In summary

- While most organisations still primarily collect solicited customer data, more are shifting towards unsolicited methods, which can deliver a more holistic understanding of customer behaviours and sentiment.
- Automation (and other technology innovations such as AI) should not be limited to just facilitating data collection, but also uncovering insights within that data. Organisations should focus on harnessing the results of data analysis to drive business decisions, both inside and outside the contact centre.
- Digital transformation investments (including AI) are helping organisations with their CX and EX deployments today, but will show the greatest returns for those who consider these technologies as part of a longer-term strategy.
- Information about AI technologies and how they will help shape CX in the future is lacking, so consider how specific use cases will be complementary to your mission statement to improve overall competitiveness in the future.



Research methodology

A total of 700 senior decision makers from contact centre and CX departments were interviewed in June and July 2023, with interviews in the US (250), UK / Ireland (125), South Africa (75), France (125) and Germany (125).

Respondents had to be from organisations that had a contact centre, with 100 or more employees in total globally and be part of the healthcare, financial services, technology, or retail sectors.

The interviews were conducted online and were undertaken using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

Respondent country

■ US ■ UK/ROI ■ South Africa ■ France ■ Germany

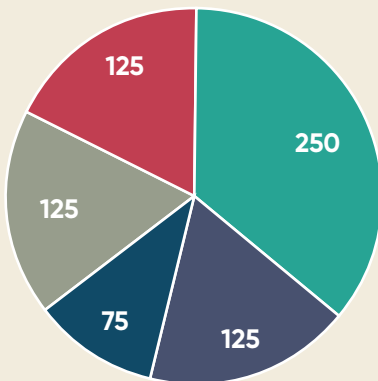


Figure D1: Showing respondent country [700]

Organisation sector

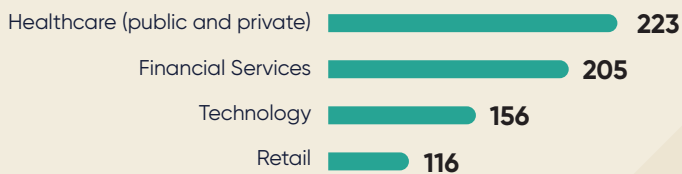


Figure D2: Showing organisation sector (700)

Organisation size

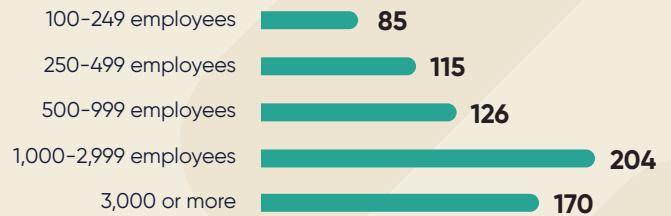


Figure D3: Showing organisation size (700)

CX Department



Figure D4: Showing CX department (700)

This research makes comparisons to 2022, using data from last year's CX landscape report. There has been a slight change in scope this year, including the incorporation of 125 additional responses from France and Germany respectively, meaning that the base number for 2022 is 450 rather than 700. Additionally, we took the decision to introduce Technology as a new industry sector, which now makes up 22% of the overall 2023 dataset.

This year we also looked at an additional profile split of whether organisations had a separate CX department, of which the majority (93%) of our surveyed respondents said they did.

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By connecting the dots between insights and action, CallMiner enables companies to identify areas of opportunity to drive business improvement, growth and transformational change more effectively than ever before. CallMiner is trusted by the world's leading organisations across all major verticals including technology, media and telecom (TMT), retail, manufacturing, financial services, healthcare, and travel and hospitality..

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