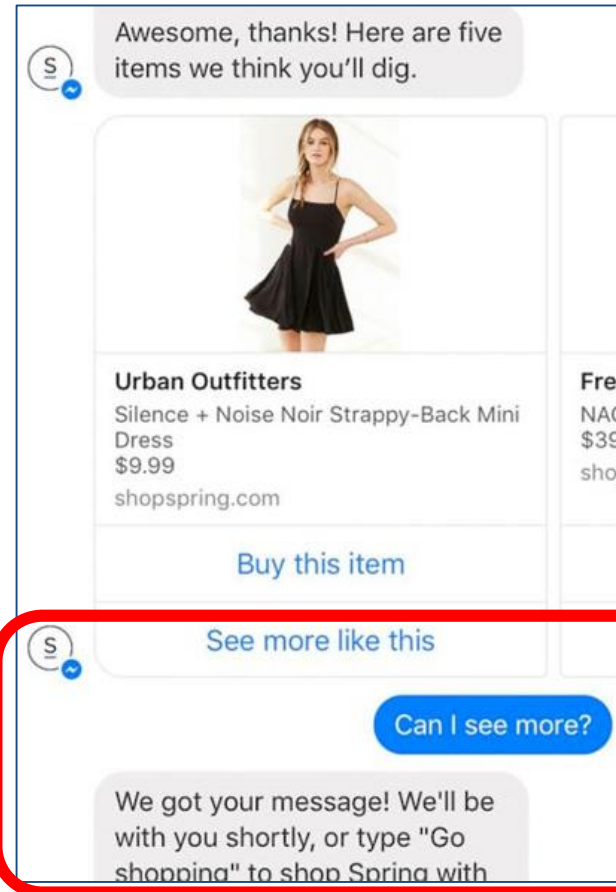# The 3Cs of Customer Experience - Delivering Empathy at Scale

Customer Experience World Forum 2019 - Moscow, April 17th, 2019

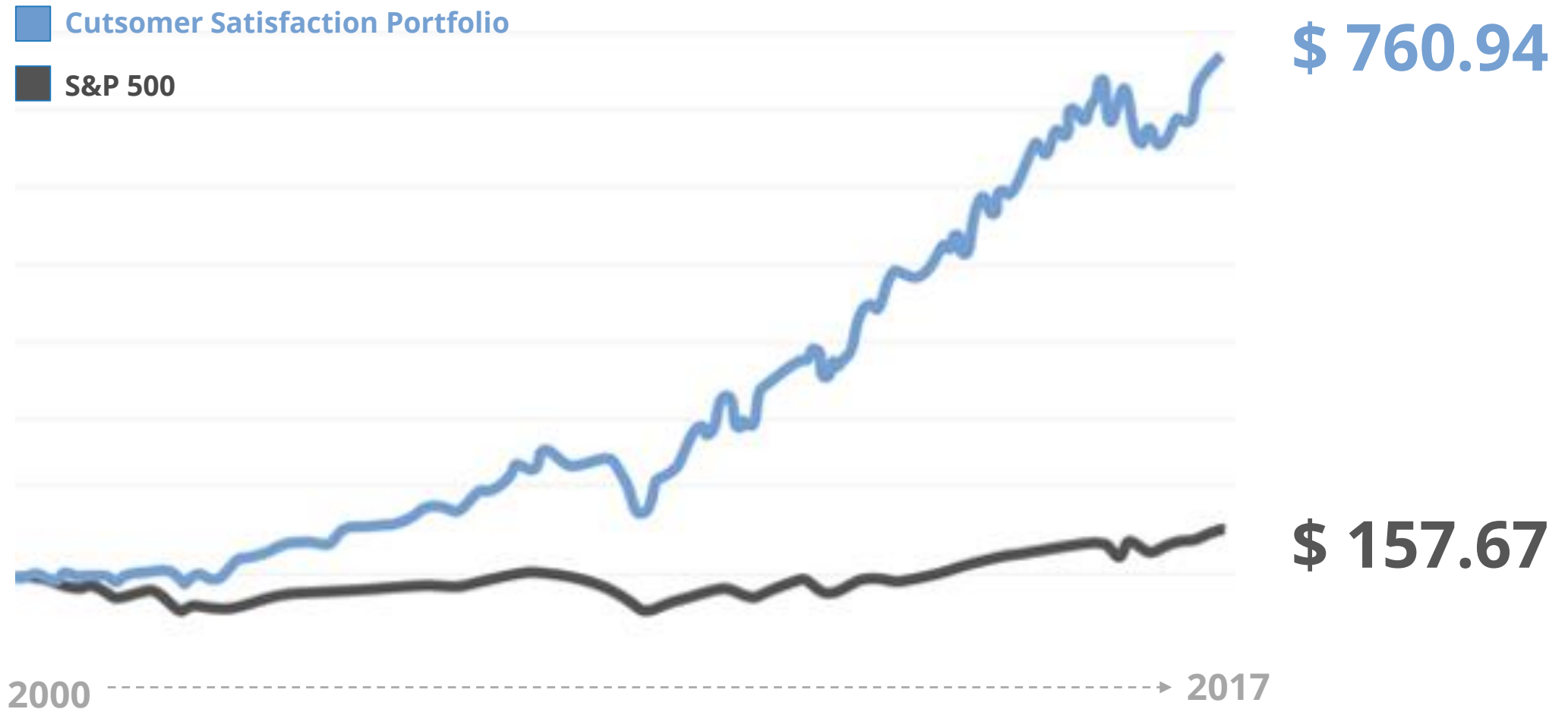Andrea Sangalli, Research Director and EU CX Practice co-lead, IDC Europe

CX. Why Now

HALF BILLION Customers Data Stolen!
Marriott starwood INTERNATIONAL Hotels and Resorts

Awesome, thanks! Here are five items we think you'll dig.

Urban Outfitters
Silence + Noise Noir Strappy-Back Mini Dress
$9.99
shopspring.com

Fren
NAO
$39.
shop

Buy this item

See more like this

Can I see more?

We got your message! We'll be with you shortly, or type "Go shopping" to shop Spring with

"Regional and upper store management know about this. We all know we are losing sales and pissing off customers. It's not that we don't care — we do. But our hands are tied."

IDC | ANALYZE THE FUTURE

Customer satisfaction increases financial performance 5x

Cutsomer Satisfaction Portfolio

S&P 500

$ 760.94

$ 157.67

2000 — 2017

IDC | ANALYZE THE FUTURE

© IDC

3

Customer experience is the **top strategic business priority** among European companies

EU Business Priorities, 2019

2,759 respondents

$100B+

- **46%** CUSTOMER EXPERIENCE
- **42%** CYBERSECURITY
- **40%** REDUCING OPERATIONAL COSTS

IDC | ANALYZE THE FUTURE

The Shape of the Future Enterprise is Clearer

Future of Customers

Empathy at Scale

Future of Intelligence

Insights at Scale

Future of Operations

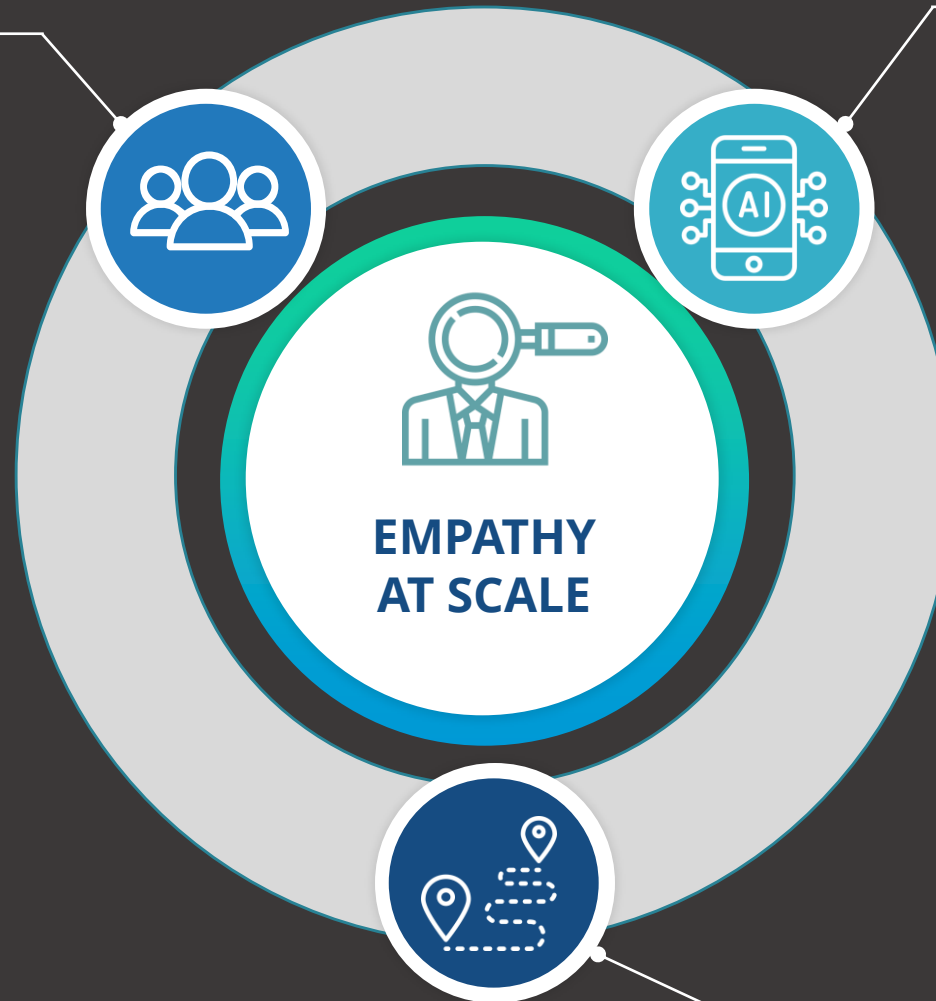Operations at Scale

Future of Work

Work Model at Scale

Future of Culture
Leadership at Scale

The **3Cs** to Delivering Empathy at Scale

CONSENT

CONVERSATIONS

EMPATHY AT SCALE

CUSTOMER JOURNEYS

CONSENT	Situation	GDPR impacts data, marketing operations and personalization
	Implication	Reduces your addressable market
	Future	Treat customers in a more sensitive way to avoid withdrawal of consent

CONVERSATIONS	Situation	Customer interactions are transactional, fleeting and opportunistic
	Implication	Does not create customer engagement, trust and delight
	Future	AI drives actions that are contextually relevant

CUSTOMER JOURNEYS	Situation	Every organization is investing resources at CJ mapping
	Implication	Very complicated to manage e2e CJs with omni-channel
	Future	Focus on personalization, automation, optimization, and self-services at scale

IDC | ANALYZE THE FUTURE

How you treat your customer's data is how you treat your customers

CUSTOMER CONSENT

#1 PREDICTION

By 2020, to meet **GDPR-type regulations** and improve customer experience, **50% of global companies** will integrate **progressive consent** opportunities into **all stages of the customer journey.**

shopify

BARCLAYS

Which of the following do you think are the top challenges to implementing CX with IT systems?

Challenge	%
Data security	49%
Budget restriction	33%
Customer safety regulation compliance	26%
Lack of internal skills and resources	24%
Integration of internal and external technologies across the workflow	23%
Corporate cultural mindset	22%
Ensuring speed and ease of use of every IT applications	21%
Alignment of CX strategies across interfaces and partners	19%
Poor targeting/profiling	14%

IDC ANALYZE THE FUTURE

© IDC

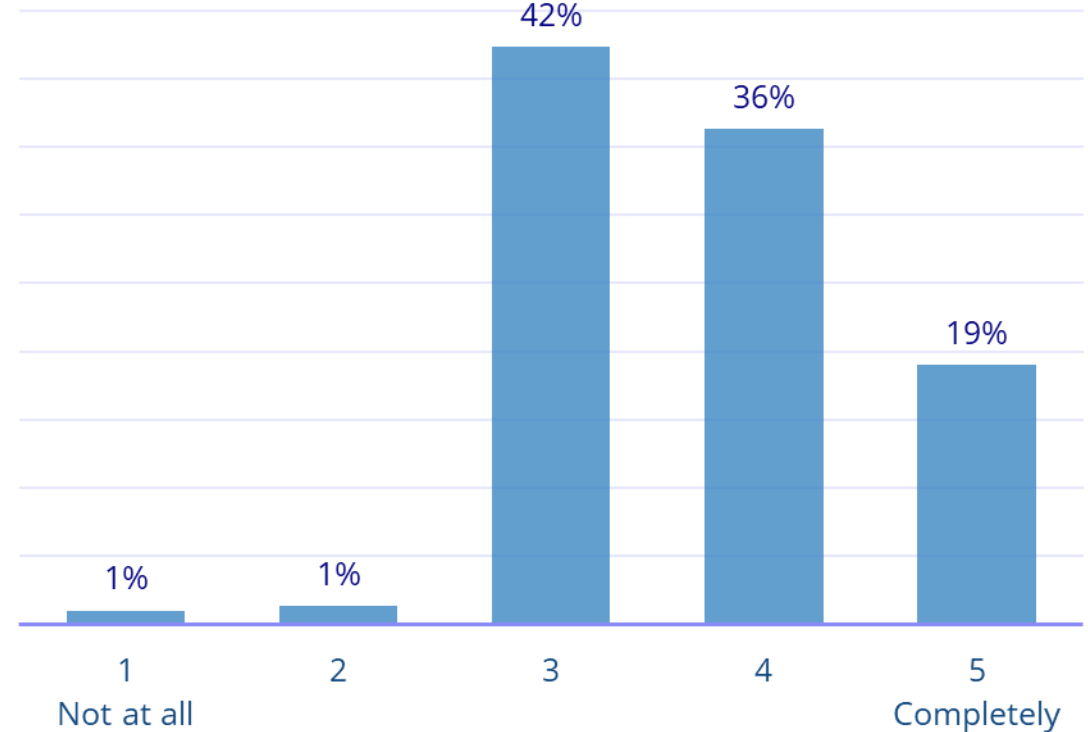# Well executed Consent processes lead to increasingly valuable information services

58%

GDPR is supporting data cleansing and consolidation.

To what degree do you have access to a "single customer data view" that spans all marketing/sales/service customer encounters?
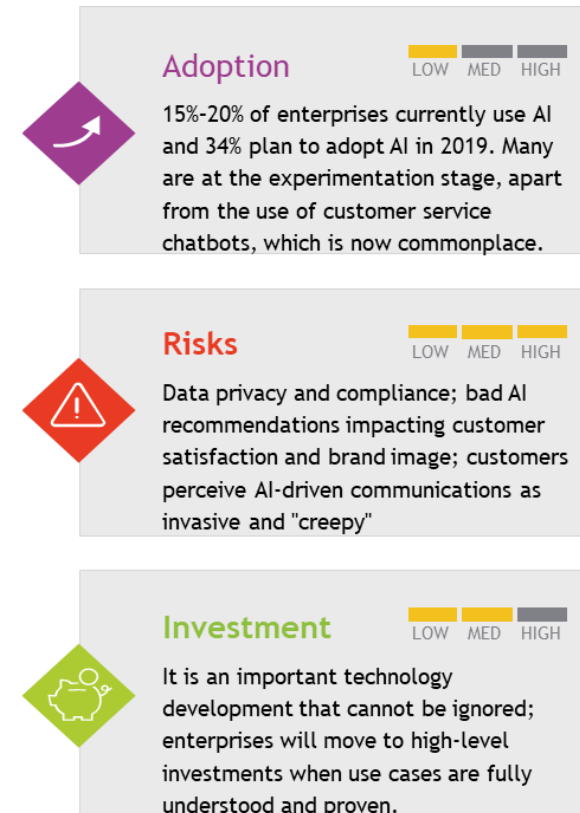

1%	1%	42%	36%	19%
1	2	3	4	5
Not at all				Completely

IDC ANALYZE THE FUTURE

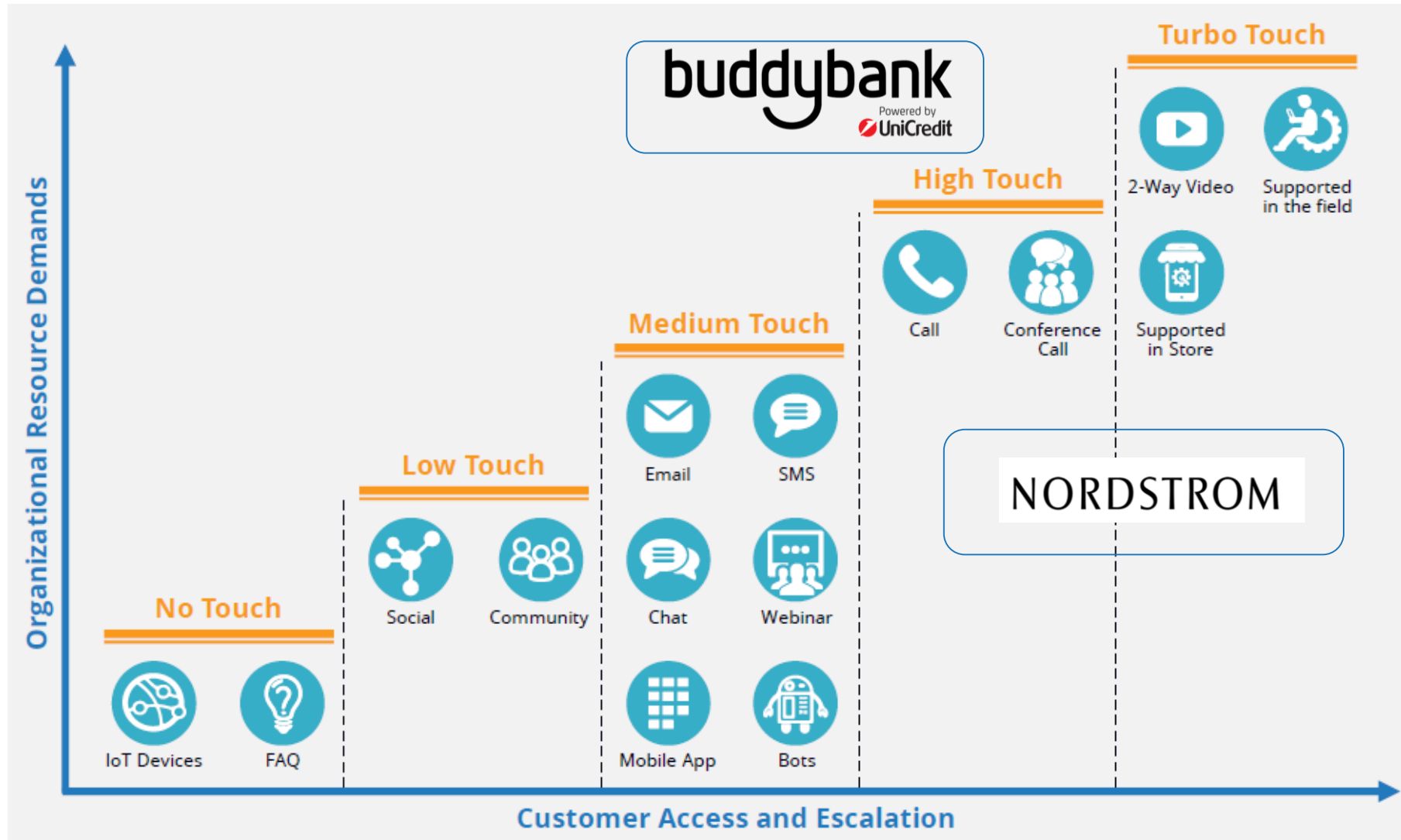# AI will be critical to enable customer conversations at scale

PREDICTION PREDICTION PREDICTION

#9

> By 2022, 30% of enterprises will use **interactive conversational speech technologies** to power customer engagement across marketing, sales, and service.

Google Assistant

Argos   asos   OCBC Bank

Adoption — LOW / MED / HIGH

15%-20% of enterprises currently use AI and 34% plan to adopt AI in 2019. Many are at the experimentation stage, apart from the use of customer service chatbots, which is now commonplace.

Risks — LOW / MED / HIGH

Data privacy and compliance; bad AI recommendations impacting customer satisfaction and brand image; customers perceive AI-driven communications as invasive and "creepy"

Investment — LOW / MED / HIGH

It is an important technology development that cannot be ignored; enterprises will move to high-level investments when use cases are fully understood and proven.

Domino's   HSBC   ING

IDC ANALYZE THE FUTURE

Tech should be instrumental to Human touch relevance

The transformation of businesses and experiences is moving beyond the four walls of the organization
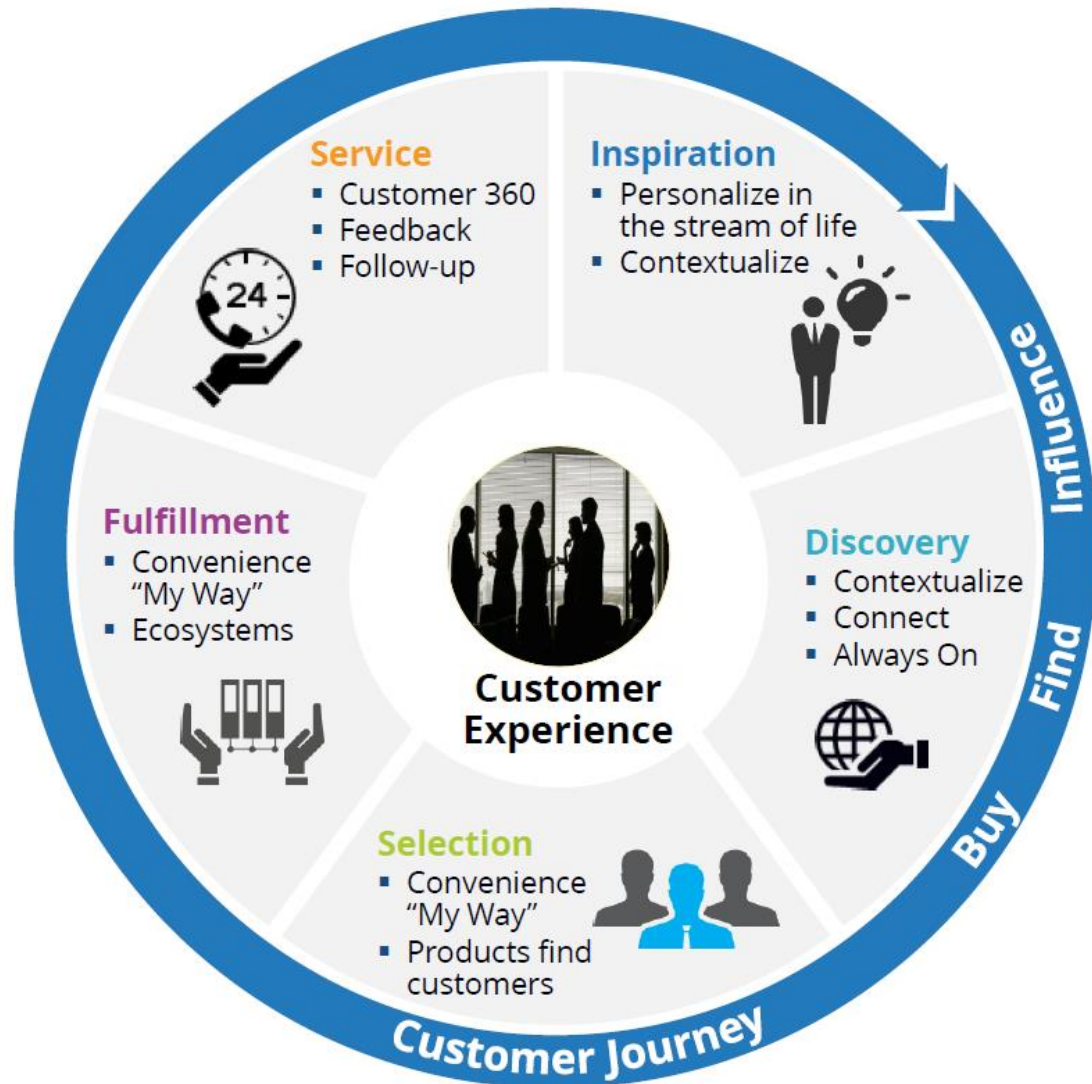
CUSTOMER JOURNEYS

#3 PREDICTION

"By 2021, businesses offering **frictionless experiences** across their **ecosystem** will experience a decrease of 20% in customer attrition."

Walmart I/O

IDC | ANALYZE THE FUTURE

The continuum of engagement and experiences goes from the lowest level of indifferent to empathetic

90% of Western European enterprises are investing in data and digital technologies for customizing customer journeys.

22% of Western European enterprises use customer journey analytics to assess CX performance.
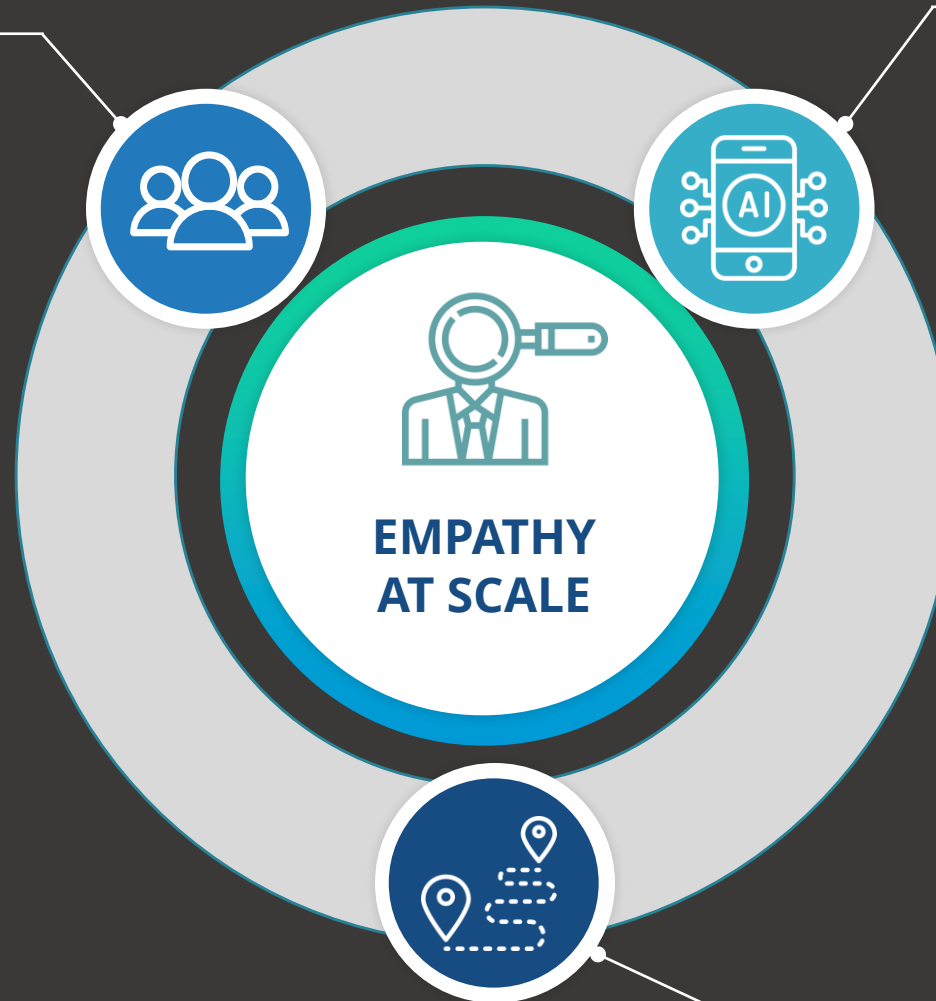
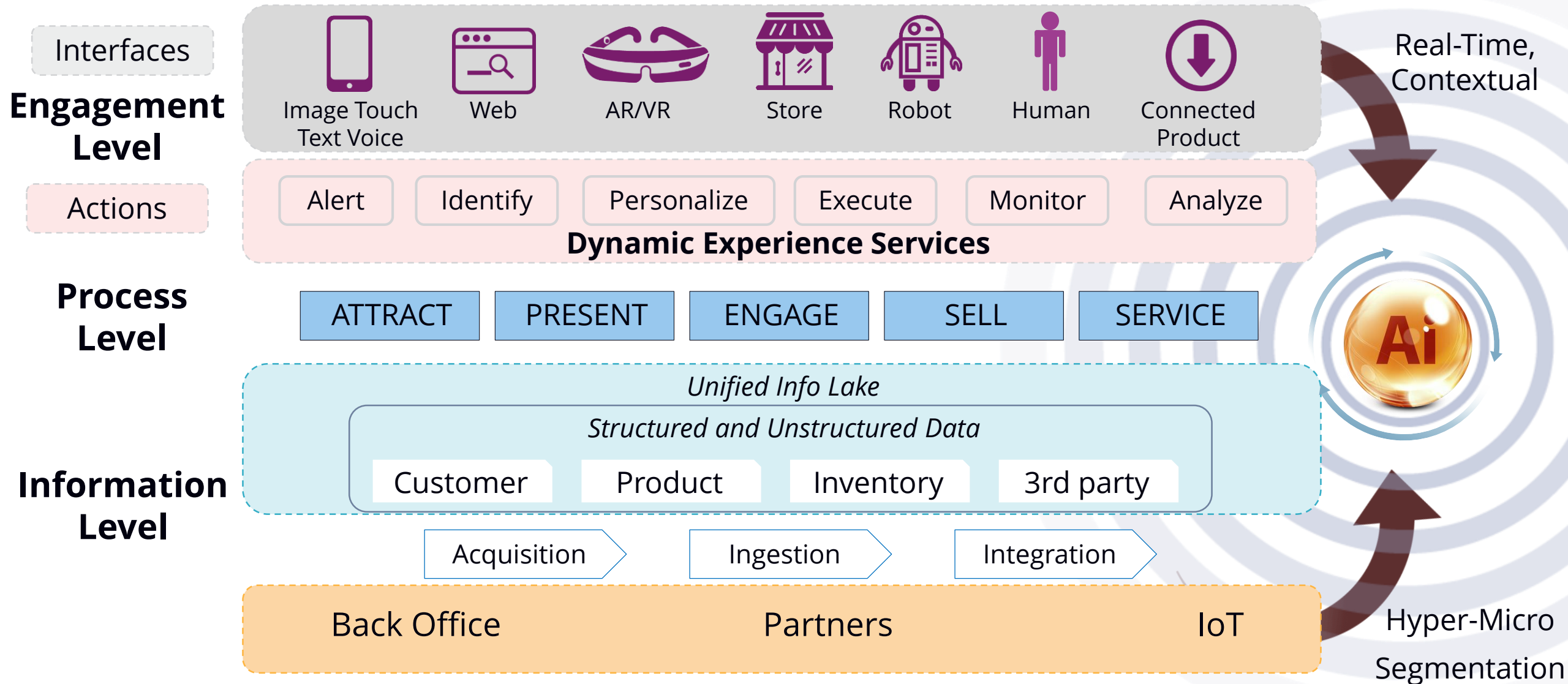The 3Cs to Delivering Empathy at Scale

CONSENT

CONVERSATIONS
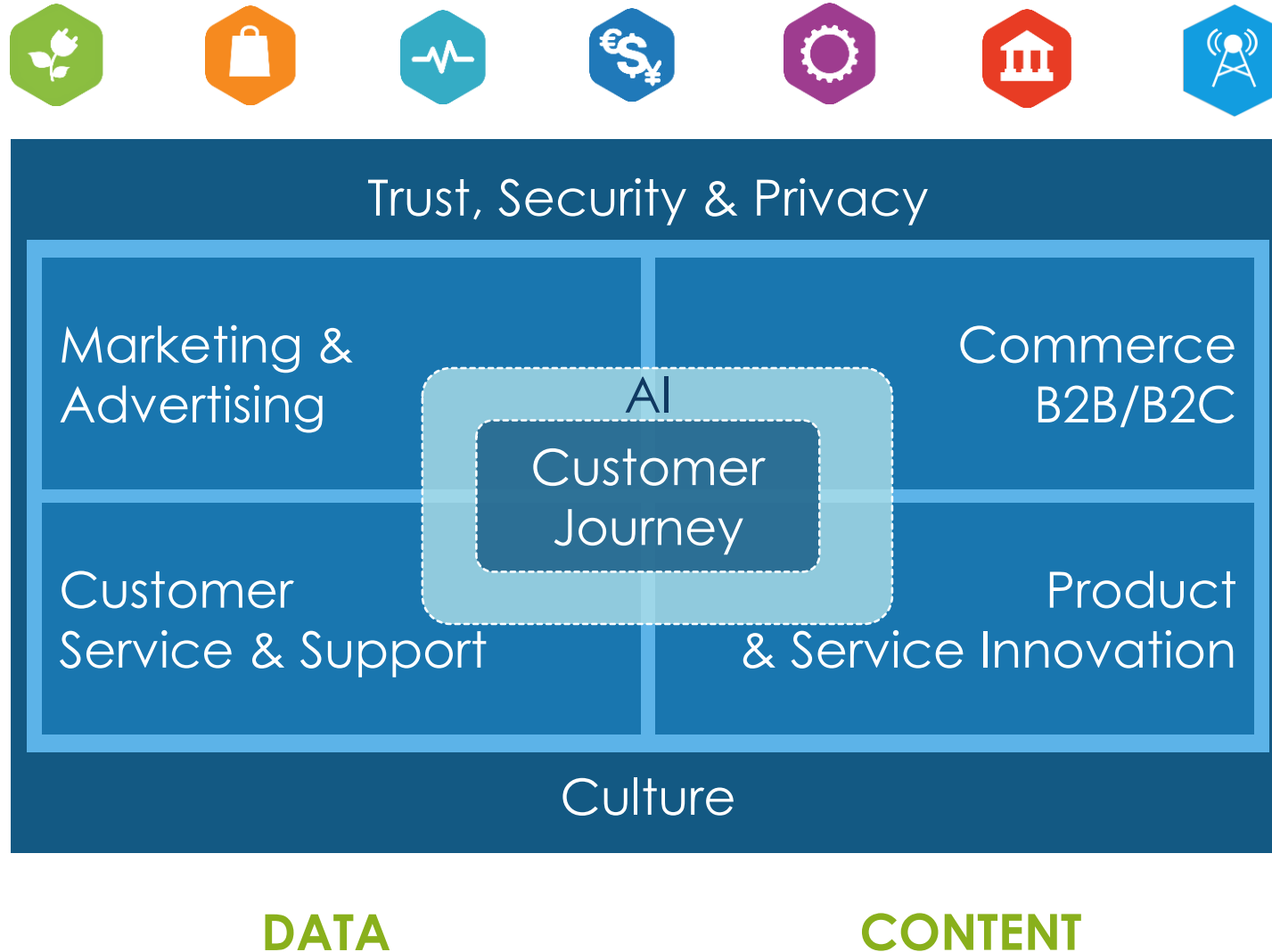
EMPATHY AT SCALE

CUSTOMER JOURNEYS

2 Recommended Actions

#1 - Design a new CX Architecture

Engagement Level

Interfaces

Image Touch Text Voice	Web	AR/VR	Store	Robot	Human	Connected Product

Real-Time, Contextual

Actions

Alert	Identify	Personalize	Execute	Monitor	Analyze

Dynamic Experience Services

Process Level

ATTRACT	PRESENT	ENGAGE	SELL	SERVICE

Information Level

Unified Info Lake

Structured and Unstructured Data

Customer	Product	Inventory	3rd party

Acquisition → Ingestion → Integration

Back Office	Partners	IoT

Ai

Hyper-Micro Segmentation

Source: IDC 2018

#2 - Invest in a CX Digital Platform

Trust, Security & Privacy

Marketing & Advertising

Commerce B2B/B2C

AI

Customer Journey

Customer Service & Support

Product & Service Innovation

Culture

DATA

CONTENT

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Thank you!

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asangalli@idc.com

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